11/13/86-C1575-2A

a bobit publication

november 1986

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Plymouth Grand Voyager LE

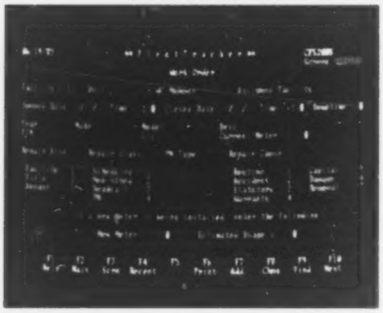
Chrysler LeBaron Coupe

Budgeting Costs
Tax Reform Impact
Fleet Fuel Programs
'87 Acquisition Survey

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

NOVEMBER 1986
VOL. 26, NO. 1
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets

Features



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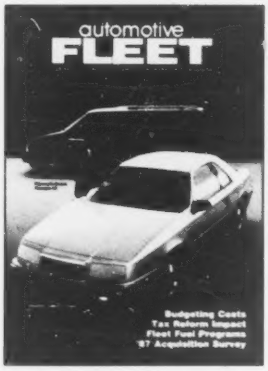

On our cover: Hal Barton, general manager of Chrysler Motors Fleet Operations, presents the sleek new Chrysler LeBaron Coupe, in production Nov. 7, 1986, and the spacious Plymouth Grand Voyager LE mini-wagon, scheduled for production Mar. 27, 1987.

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The major oil firms are attaching increased importance to fuel programs for the automotive fleet market. To determine how such programs can help lessors and fleet managers, AF*'s David Burkhart has prepared this in-depth report.*

National Account Fuel Programs for Fleets

Fuel is one item an automotive fleet can't do without. The fleet manager or driver can put off a tune-up, hold off wiper blade replacement, or shop for the lowest-priced tires, but fleets don't run on empty, and the price paid for fuel is posted at the pump.

According to the National Association of Fleet Administrators (NAFA), fuel is a major concern of fleet managers, ranking third behind depreciation and insurance costs. *Automotive Fleet* estimates that fuel accounts for nearly a third of operating expenses. Even considering current fuel prices and continuing emphasis on fuel economy, fuel will remain prominent among fleet operating expenditures.

Thanks to a variety of national account or credit card programs available through oil companies, fleet managers have a system that helps them assess and control fuel costs. Typically, national account programs address the problems of regular maintenance, part replacement, and vehicle repair, with the attending benefits of the ready availability of goods and services, centralized accounting, and discounts on products and services.

Similarly, oil company credit card programs offer the advantages of availability of fuel and automotive services, information on vehicle and user performance, and a variety of billing programs tailored to the fleet manager's particular accounting needs.

In addition, fleet management companies, commercial fleet operations, and government agencies can utilize their own credit cards, called universal or own-issued cards, accepted by oil companies through their affiliation with the American Petroleum Institute (API), useable for fuel and automotive purchases at participating oil company outlets. Such credit card programs, established with the cooperation of the oil companies and API, provide other opportunities for fleet managers to control fuel purchases.

To gain insight into how oil companies participate in the car and light truck segment of the fleet market, *Automotive Fleet* talked with representatives of several majors. The purpose was to determine how oil companies view the automotive fleet market, how their credit card programs work, what services are provided at what cost, what advantages credit card programs represent and what future trends can be discerned. Participating oil companies include Amoco, Chevron, Citgo, Quaker State, Shell, Texaco, Mobil, and Exxon.

Amoco

Fleet operations, including all types of automotive fleets, represented $180 million in 1985 for Amoco, according to Joe Matise, manager of fleet operations. Of that amount, $100 million was attributed to what Amoco regards as commercial fleet business, including fleet leasing companies, utilities, and railroads. The remaining $80 million resulted from sales to federal, state, and local governments, including General Service Administration (GSA) fleets, as well as municipal and police fleets.

"It is significant to us," Matise says. "That $180 million represents a small number of corporations, but a large volume in business. Their purchases at retail, because of the expenses involved, require a system. We've devised a system to allocate expenses."

The system at Amoco is called Transicard, a comprehensive system designed to provide detailed information on fleet operating expenses. "Briefly," says Chuck Woodbeck, manager of credit card marketing, "Transicard allows us to follow the movement of vehicles and personnel and offers a data processing function to help the customer with accounting." That means a monthly invoice with a formal invoice of purchases and a summary statement of the customer's account, as well as purchase ticket information, including signature verifications, with the basic data subtotaled by account, driver identification number, location, and date of purchase. The fleet manager receives a computer printout showing purchase details such as fuel, oil, and service purchases and can choose either a magnetic tape or card for additional accounting support.

With a typical Transicard billing, the customer receives information including the reporting date, account numbers indicating division or department, ID numbers by cardholder, individual vehicle identification, dates of purchases, quantities and amounts of purchases, ticket counts by purchase, subtotals per card, and totals for all purchases. "All this is to help the fleet manager monitor expenses as he needs to," Woodbeck says.

Amoco's credit card programs began in the 1940s, Matise explains. "Since then, large and small fleet operators have wanted more detailed information on their credit card statements, so we've expanded our programs to provide that kind of data. The alternative is for the customer to handle volumes of paperwork, and that's expensive today. With a credit program in place, the fleet operator can track expenses, analyze vehicle performance for necessary repairs, and monitor employees' expenses."

The advantages of such a system to Amoco, as Woodbeck puts it, are gasoline volume potential and cementing relationships with large business entities. Says Matise: "It obviously allows more sales at Amoco locations and means increased volume. And it keeps us competitive."

Since Amoco estimates it would cost nearly $7,000 a year for a fleet manager to have an employee process oil company charge slips, a major advantage to the customer is manhour savings, as well as materials and overhead expenses. Other benefits are once-a-month billing with detailed itemization and information tracking. "It also helps with cash float," Matise adds. "The customer is billed once each month instead of with each purchase, and has 20 to 30 days to pay, which allows the customer to use his working capital an extra 30 to 60 days."

Fees to the customer using Transicard are half a cent on the dollar, Matise says, or one-half of one percent of the billed Amoco purchases. There is a different fee structure for some municipalities, he says. "A city like Los Angeles or Chicago is entitled to certain taxes, such as a tax on gasoline, and a city may want to break out data by employee, department, or division, so Amoco actually provides the service of tax accountant in those cases, for a fee."

Amoco accepts universal credit cards and has exchange programs with other major oil companies, such as Chevron, Exxon, and Sohio. Card use is limited to purchases for the operation of the vehicle and cards are accepted at 15,000 Amoco service stations and approximately 10,000 other oil company locations nationwide. Amoco estimates about 5,000 commercial customers currently use the Transicard system. The company offers no discounts. "The discount days are gone, I'm afraid," Matise laughs.

Chevron

"Most oil companies have a lot of commercial accounts," notes Noel McHone, Chevron's manager, travel card administration. "We have a number of them, some of which would qualify as national accounts, but we don't track them separately." McHone estimates that Chevron has 100,000. "Chevron does about $3.25 billion a year in the credit card business. Of that, about $300 million to $350 million is in commercial accounts. That's about 10 percent, and it's a substantial portion of our business."

Under Chevron's Cardfax program, customers can request a number of credit cards in their company name and distribute them to their drivers for use. "Then we can deliver to the customer the kind of billing they request," McHone says. "An example would be 300 cars, itemized by vehicle. The fanciest type of billing is computer magnetic tape that lays out all the purchases. The simplest type is like the normal customer's bill. The credit card statement is sub-numbered by card and totaled."

Through Cardfax, Chevron's computerized special billing system, three plans are available, each offering a different level of information to the customer. With Cardfax V, for instance, a fleet manager would receive costs for each vehicle separately, with subtotals listed by department or other designated breakdown. The monthly statement would indicate costs for fuel, oil, and miscellaneous purchases.

Cardfax VII is Chevron's most elaborate billing system. The monthly billing provides the customer with a complete cost breakdown by vehicle and department. Besides purchase dates, fuel and oil type and quantity are listed, as are lube, tires, parts and labor, and miscellaneous purchases, including batteries. Cardfax VI was designed to provide more information than Cardfax V by further expanding the cost accounting function to include quantities and costs of various products and services.

"The advantages to the user are the ready availability of fuel and other necessary products and the ability to keep track of what various vehicles are doing," McHone states. "The cost of credit programs to the user is none. We had charges for our special billing programs until about a year ago — something like $1.60 per statement — but now there are no charges. We do have certain fees under a 'country club' arrangement for customers who want tickets back. Otherwise, we're operating on a descriptive billing system."

Chevron allows its cards to be used for purchases up to $50 before an authorization call must be made. Users may purchase fuel, oil, parts and accessories, tires, retreads, batteries, and pay for services such as lube, wheel alignment and balancing, towing, and parking. Non-automotive products like food, beverages, and cigarettes may be purchased up to a value of $25. Chevron allows credit card purchases up to $250 for major mechanical services such as engine work or muffler replacement.

According to McHone, Chevron accepts a number of own-issued credit cards. "We've expanded our list of universal cards rather dramatically recently and now have about 250 companies, including business and commercial, municipal, and utility." Chevron has 20,000 outlets in the market nationally, although it doesn't serve the Dakotas east to

Pennsylvania or Texas north to the Canadian border, areas covered through interchange programs with Amoco, Exxon, Sohio, Chevron Canada, and Gulf Canada. The company offers no discounts to its credit card holders.

Citgo

Citgo is a wholly-owned subsidiary of Southland Corp., and is reportedly the largest pumper of gasoline in the U.S. through its 7-Eleven and Citgo-branded outlets. Based in Tulsa, Citgo serves customers through 15 Quik-Mart stores in Oklahoma and 8,000 other retail outlets, 4,000 of them 7-Eleven stores. According to Jim Willett, assistant media director at Southland, "We're Number One, or almost there. We pump a lot of gas through both our Citgo and 7-Eleven operations."

Citgo has had a credit card program in effect, but declines to discuss it in view of recent developments. "We are now in the midst of increasing our credit card deck," says Kent Young, public relation representative for Citgo. "That is, we're adding to the number of users, a process we began in the first quarter of this year." Young indicates that JC Penney was handling the introductory direct mail program and would be responsible for billing.

"We're in the early development stages of a credit card program for realization later this year," Young says. "The automotive fleet market is a marketing niche which could benefit our operations greatly, and there would be a number of advantages to the fleet customer." Among benefits to fleets cited by Young are the number of 7-Eleven outlets available for gas and convenience purchases, competitive pricing, and a "country-club"-type billing program. "This is definitely an area targeted for activity," Young says.

Quaker State

Quaker State is aggressively pursuing the automotive fleet market with oil and lube products through its Minit-Lube franchise operation. "It's an important market to us,"

Lessors Discuss Credit Card Use

According to *AF*'s 1986 *Fact Book*, Lend Lease of Minneapolis, MN, is ranked seventh among the nation's leading vehicle lessors. Lend Lease developed its own credit card, accepted by eight major oil companies, and used for fuel and oil purchases. The advantages, noted by Larry Palmer, vice president-operations, are significant.

"We're billed monthly, and our drivers don't have to carry a whole handful of plastic," Palmer says. "We consider the Lend Lease card to be a service we offer as part of being a full-service lessor. The card helps us to keep a cost base for the lessee. Also, it makes the switching cost higher; it costs the lessee more to switch to a lessor that doesn't have a card. We get a direct tape-to-tape billing from the oil companies. We don't touch the invoicing.

"The oil companies are helping us out more than we're helping them," Palmer admits. "You have to remember that oil companies are pumping through franchised locations. If they were pumping through company-owned locations using company employees, there might be some way to set up an incentive program, but there's not. There's no real advantage to the oil companies in accepting our card. They're going to pump gas anyway. The advantage is to our drivers."

Kerr Leasing and Fleet Services Co. of Englewood, CO, does not utilize a universal credit card. "We operate under various national account programs with major tire companies, glass companies, and about 3,000 independent repair and maintenance outlets," says Gary Kerr, executive vice president of fleet management services. "However, each fleet makes its own purchases of gasoline. We can't save money for our customers, because there is no discount structure with major oil firms as there is with tire, parts, and repair companies. Those discounts we can pass along to our customers. But there aren't any on fuel and oil purchases."

McCullagh Leasing, Inc. of Roseville, MI, ranks fifth among the nation's lessors. The McCullagh Universal Gas Card is accepted by 17 major oil companies, representing 160,000 locations nationwide. Says Paul Allmacher, vice president, customer services: "Fleets consider the implication not of cost savings, but of the value to the driver of having a credit card. One of the things that's still an issue is acceptance of the universal card, although it's gaining in acceptance. That's because the oil companies began a process of educating dealers to accept universal cards. Acceptance is less an issue today, but it's still there."

To begin their universal credit program, McCullagh explored their competitors to see what they were doing, Allmacher discloses. "Then we contacted Amoco, because of their processing capabilities, and we contacted other major oil companies and provided suggested credit card agreements for their review. Some minor changes resulted, but we were able to enter into a processing agreement with Amoco.

"Now," Allmacher concludes, "after about a year, we have a fully functional program."

says Al Fischer, manager, fleet commercial marketing. "I guess when you have a department devoted to that segment, it's a good indication of what we're after."

Estimating that about half of Quaker State's business is done through distributors, Fischer explains that products are handled through local operations and factory-direct contacts, with a national account program for major fleet customers. To service smaller fleets, the company has a separate program.

"For a lot of fleet operators or managers, servicing their cars, light trucks, or vans in-house is not really profitable," Fischer says. 'We have a fast-lube department to service independent retailers who handle smaller fleet accounts. We also own the Minit-Lube operations, with about 130 outlets in 10 states. The projected growth policy for Minit-Lube calls for accelerated store openings, and that's where we'll address the automotive fleet market."

Quaker State developed its Minit-Lube charge card program to provide fast, economical service to drive-in customers (including fleets), and to make available a discount system, which is based on average service volume. During an initial 90-day period, Minit-Lube establishes average volume for a new fleet customer, who receives in-store discount coupons for use in that period. After the 90-day period, fleet discounts are automatically computed on monthly billing statements and are based on the number of service visits by fleet vehicles, itemizing oil, lube, filter, and other services performed. Each month thereafter, the fleet manager receives a statement of charges showing service activity, discount earned, and net amount due, payable within 30 days. For billing support with the Minit-Lube charge card, Minit-Lube retains service ticket copies with vehicle data and driver signature. Following each service visit, the vehicle operator receives a copy of the service ticket and charge slip.

Fleet discounts are established as follows: Fewer than five services per month, no discount; five to 19 services per month, 10 percent discount; 20-49 services per month, 13 percent discount, more than 50 services per month, 15 percent discount.

Benefits of the Minit-Lube program, according to Fischer, include service to the fleet vehicle quickly with no scheduling hassles and service packages tailored to fleet service requirements, the accounting function, and the discounts. "We feel the benefits of the monthly summary statement and special billing programs and our oil analysis program are strong points in our dealings with fleet managers," Fischer says.

There is no charge or fee to the customer under the Minit-Lube program, Fischer adds. "We use it as a sales tool to increase awareness of Minit-Lube and its potential savings for fleet operators."

Shell

"To us, the automotive fleet is a critical piece of our total credit card base," says Roger Kageyama, manager, national accounts-credit cards, for Shell. Admitting that the company had not been active in this type of service for the past several years, Kageyama indicates, "Shell has a renewed and revitalized interest in serving this market."

Shell serves an estimated 2,000 fleet operations through 11,000 service stations in 38 states. "We are not in the Rocky Mountain states," Kageyama observes. "We have no refineries nor distribution centers there, and our market area is based on product availability and public acceptance of our products." Shell sees its marketing potential among fleets, regardless of size, who will use the same credit card issued to the consuming public. "What makes our program unique," Kageyama asserts, "are the types of billing options."

Shell offers four purchase/billing-reporting programs to serve the fleet market. Program A offers cards issued in one business name, with each card identified by employee or vehicle number; a monthly report in card number order, carrying the date, invoice number, product description, and amount subtotaled by vehicle or card number. No invoice copies are returned. Option A is described as regular descriptive billing, Shell-issued cards.

Option B, regular special billing — customer-issued cards, provides for the return of invoice copies; no detail, but a summary one-page statement listing the number of invoices and the total amount.

Under Option C, specialized fleet billing report — Shell or customer-issued cards, cards are issued in one business name with each card identified by vehicle or employee number; a monthly report in card/vehicle order with date, invoice number, location of purchase, quantity and amount of purchase is provided; each vehicle/card number is subtotaled.

Option D, specialized fleet billing report — Shell or customers' cards, offers the same features as Option C, but allows the customer to choose whether invoice copies will be returned each month, and a magnetic tape is transmitted each month.

Cost to the fleet customer, according to Kageyama, is nominal, based on the amount of purchases monthly. "The highest may be two percent and the lowest one-fourth of one percent," he says. Shell offers no discounts. "We do not assess a surcharge for credit purchases," Kageyama indicates. "We have one price, and that's the price posted on the signs at the corner of the station. There's no price for cash versus credit card purchases."

Noting advantages of the fleet program to Shell itself, Kageyama cites the ability to obtain and retain large commercial accounts, and the fact that the program enables Shell to remain competitive. Identifying advantage to the user, Kageyama points out that specialized billing reports help fleet managers with the accounting function, whether the report is in hard copy or magnetic tape form. Fleet operators can format their own exception reports when utilizing magnetic tape billings.

Shell does not utilize an exchange program with other oil majors, but accepts universal credit cards. "We participate in universal programs with whomever asks us," Kageyama says. "Obviously, those who issue their own cards feel that their drivers can operate more conveniently with several oil companies using one card, instead of carrying around a handful of plastic. But universal credit card issuers are just like an oil company in that they assume the various costs associated with a credit card program, such as producing and embossing their own plastic, liability for fraudulent use of the cards and overhead costs."

Texaco

Texaco's fleet credit card program is predicated on the use of Texaco stations, more than 20,000 nationwide, providing coverage in most states. Texaco does not accept other oil company credit cards, but works with fleets having universal cards. The company's primary fleet targets are the larger leasing companies and private fleets. Doing more than $3 billion annually in total sales, Texaco realizes eight percent to 10 percent of that in fleet business.

"It's a market that's always been out there," notes Mike Zvonkovic, manager of credit card marketing. "It's different from any regular credit card business in the amount of information fleet customers say they need, whether they use it or not." Hence Texaco's credit card program for fleets is based on flexibility to meet the customer's accounting requirements. The obvious benefit to Texaco is that credit programs get more fleet traffic into Texaco stations, and the retailer gets more throughput. The buzzword in Texaco's attitude toward the fleet manager is service. The credit card program gives the manager a track on where each vehicle was each day. He can determine monthly expenses per vehicle broken out by division or department. He can get the type of billing report he requires.

Texaco's Fleet Control Program is based on the realization that controlling, servicing, and fueling vehicles is a time-consuming and costly task for fleet administrators. The cost to fleet customers depends on the type of billing plan selected and monthly volumes and is outlined on a sliding scale and calculated on the amounts of monthly purchases.

Fleet Control Plan I offers simplified cost accounting of each Texaco card transaction, listing each purchase by sub (vehicle) number, providing a subtotal of purchases by vehicle along with the location and date of purchase and a grand total of all transactions. The invoices for each purchase accompany the billing statement and are sorted in order of the listing. A minimum monthly purchase is required under Plan I with a fee of .25 percent

Gas Credit Cards: How API Fits In

In the American Petroleum Institute's (API) June 1986 roster of more than 200 companies utilizing own-issued credit cards are listed a dozen lessors ranked among the nation's Top 28 by *AF*'s 1986 *Fact Book*. Lessors such as Gelco, PH&H, and Dart-Kraft have their own universal credit cards.

Any company that decides to adopt a universal credit card program can do so by following API guidelines. The guidelines were developed jointly by API's Finance and Accounting Department and the Advisory Committee — Own-Issued Credit Cards. The committee is composed of 26 members, each a representative of a major oil company.

The guidelines clearly state that API's function is to issue an account number but takes no responsibility for credit, acceptance, or approval of the credit card and cannot assist in negotiations or other matters related to an own-issued card. API assigns an account number at the request of an oil company (gasoline marketer) and maintains records that include name of issuing company, corporate address and contact, billing address, credit card numbers, and sponsoring gasoline marketer.

The procedure for obtaining a universal credit card is relatively simple. For example, XYZ fleet is buying considerable amounts of fuel and determines their cost control would benefit from using a universal card.

- XYZ fleet contacts oil companies to see which ones would accept an XYZ credit card.
- XYZ fleet reaches an agreement with USA Oil Co., which will act as sponsor of XYZ as an applicant to API.
- API assigns XYZ fleet an account number.
- XYZ can now negotiate credit card agreements with other oil companies to gain more flexibility for its universal card.
- XYZ fleet successfully completes its agreements.
- XYZ fleet designs and produces its universal card and issues the XYZ card to users.

API guidelines also provide items for discussion between a universal card holder and suppliers. Details such as the appearance of the credit card, listing suppliers on the reverse of the card, billing arrangements, acceptance arrangements, and responsibilities for card use are among matters to be negotiated.

For further information, contact: American Petroleum Institute, 1220 L Street NW, Washington, D.C. 20005, or phone (202) 682-8497.

(minimum charge, $5). The plan is not available to universal credit card issuers.

Fleet Control Plan II provides the fleet administrator with detailed information on fleet activity, isolating operational costs of an individual vehicle or the entire fleet and providing itemization of each purchase including state and date of purchase, type of fuel purchased, quantity and amount of fuel purchased, and a miscellaneous amount covering purchases of wiper blades, belts, batteries, or other items. With Plan II the fleet administrator can select up to four levels of sub-totals for each vehicle, each branch, each division or each region. The plan requires a minimum monthly purchase of $5,000 and carries a minimum charge of $15. The fees are structured as follows: To $4,999 — 1.5 percent; $5,000 to $49,999 — 1.0 percent; $50,000 to $99,999 — .75 percent; $100,000 and up — .5 percent. Plan II is available to universal card holders.

Texaco's Fleet Control Plan III is designed for larger fleet operations requiring several control levels and greater detailed itemization of each purchase. Plan III contains the features of Plan II, with an additional four columns provided for items other than fuel or oil. The fleet administrator, depending on his fleet's operating expenses, can select the heading for each of the four added columns (parts, labor, tires, for example), and Texaco's internal products code will direct the applicable purchases to the appropriate column. Also, a separate portion of the listing can be sent to various divisions at the fleet administrator's discretion. Plan III requires a minimum monthly purchase of $5,000, with the minimum charge and fees scheduled as under Plan II. Texaco says the plan is available to universal card holders.

Mobil

Mobil views the automotive fleet market as an important segment of its total credit card business. According to a company spokesperson: "Very frankly, we are continually working with fleet managers and operators to make sure we're providing what they need. We serve thousands of fleets, both large and small."

Mobil serves its credit card base through the Mobil Oil Credit Corp., offering the usual advantages of fuel and product availability, monthly billing, and specialized billing programs. Mobil accepts universal credit cards and interchanges with Standard Oil of Ohio (Sohio) to cover markets in Ohio, western Pennsylvania, and Michigan, and with Esso in Canada.

The company would not discuss details of its billing programs except to say that there are no fees for Mobil's consolidated or specialized billing reports, and there are no discounts on products or services. Neither are there limitations on credit card use. Mobil operates 14,000 service stations.

"Obviously, most fleet companies are trying to operate more efficiently," the company notes. "Card programs are efficient. Mobil bills millions of accounts every month, and we find that fleet managers appreciate the service, because it helps them remain efficient."

Exxon

As of August, 1986, Exxon Corp. was undergoing a major reorganization, and, according to a spokesperson, will not have a comprehensive credit card program for automotive fleets until mid-1987. Exxon's growing interest in the car and light truck segment of the fleet market is obvious.

The company indicates that the fleet market merits more attention and activity, and Exxon is "taking an increased interest" in fleet business. At present, the company is studying various aspects of the market.

It is expected that Exxon will implement a fleet program featuring specialized billing programs, and the company projects a fleet management program among benefits to its customers.

Trends

Oil companies agree that sales to automotive fleets are a significant portion of their overall sales volumes. The variety and flexibility of credit card programs, addressed to fleet administrators' needs for complete data and detailed accounting, testify to their interest in the automotive fleet market. Because of the expense and complexity associated with controlling fleet costs, fleet managers will continue to depend on oil company billing/reporting systems to make their tasks easier. However, it is in the area of billing/reporting that change is likely to occur.

"There's been a change in direction," observes Matise at Amoco. "More companies have gone to descriptive billing, which eliminates the ticket at point-of-sale. It's difficult right now for major oil companies to go after commercial business, because of the paper that must be handled. There are certain requirements that sales tickets must be part of the billings. The customer must have proof of purchase before paying for the purchase. That requires oil companies to carry two separate systems, descriptive billing, and normal billing with tickets."

"Somehow, we're going to have to capture vital information without it having to be a manual operation," says Texaco's Zvonkovic. "And it is a manual operation. We're already able, on our own cards, to provide the quantity of information needed for control, without the paperwork."

According to Kageyama at Shell, who is a member with Matise of API's user-issued credit card advisory committee, "It's been my experience working with major fleet customers that most of these companies are still asking for copies of invoices; that's thousands of copies per month. Electronic terminals at stations don't use paper. We can offer the same controls to the fleet manager through tape-to-tape billing. Our purpose is to truncate paper. With our own fleets, we don't use paper."

OIL COMPANY CREDIT CARD PROGRAMS COMPARISON

	AMOCO	CHEVRON	CITGO*	QUAKER STATE	SHELL	TEXACO	MOBIL	EXXON**
Offer credit card progam	Yes	Yes	Yes	Yes (Minit-Lube outlets only)	Yes	Yes	Yes	Yes, in mid-1987
Services to fleets offered through program	Monthly billing Information tracking Detailed printouts	Monthly billing Specialized billing programs	Monthly billing Country club billing system	Monthly billing Specialized billing programs Oil analysis program	Monthly billing Specialized billing programs	Monthly billing Specialized billing programs Information referral	Monthly billing	N/A
Limitations on use of card	Any purchase for use on vehicle	Any purchase at outlet where card is accepted	Any purchase at Citgo and 7-Eleven outlets	Oil, lube, filters and related services	Fuel, oil, minor repairs, maintenance, tires, batteries, accessories	Any purchase for use on vehicle	Any purchase for use on vehicle	N/A
Cost to fleet customer	½ of one % on monthly gross	None (except for country club billing)	N/A	None	¼ of one % to 2% per month	¼ of one % to 1.5% per month	N/A	N/A
Offer discounts	No	No	N/A	Yes	No	No	No	N/A
Interchange Exchange	Yes	Yes	N/A	No	No	No	No	N/A
Accept universal cards	Yes	Yes	N/A	No	Yes	Yes	Yes	N/A
Number service outlets	15,000	20,000	8,000	131	11,000	20,000	14,000	N/A
Credit card sales volume	$1.5 billion in 1985	$3.25 billion in 1985	N/A	N/A	$3 billion + in 1985	$3 billion + in 1985	N/A	N/A
Sales volume to automotive fleets	$180 million in 1985	$300 million in 1985	N/A	N/A	$480 million in 1985	$240 million in 1985	N/A	N/A

*Citgo expanded credit card program currently under development

**Exxon is undergoing a major reorganization

NAFA SURVEY

This year's NAFA survey of new car acquisitions produced a record response. Among other things, the survey showed that lower gas prices and the repeal of the ITC should have little affect on 1987-model acquisitions.

1987 New Car Acquisition Survey

NAFA's 1987 New Car Acquisition Survey had a record number 432 responses from fleets in the United States and Canada. These fleets are responsible for 362,307 vehicles, of which 194,125 are company-owned, 151,276 are leased and 16,906 are employee-owned.

Almost 50 percent (48.2) of these vehicles are mid-size; 31.1 percent are compact; 15.1 percent are large, and five-and-one-half percent are subcompacts.

These numbers make NAFA's New Car Acquisition Survey, by far, the broadest and most comprehensive survey of its kind. A similar survey by another organization garnered only 177 responses — less than half of those represented here.

Respondents said they will purchase at least 93,829 1987 model year vehicles. This year, however, the trend set from 1984 to 1986 where the percent of mid-size cars purchased increased steadily each year, was slowed. In 1984, 35 percent of new cars purchased were expected to be mid-size; in 1985, 54 percent, and last year, 67 percent. This year, 57.8 percent of new car purchases are expected to be mid-size. while mid-size car purchases seem to have slowed, they are by far the largest component of responding fleets. Also, 23.9 percent of new purchases will be compact vehicles; 12 percent large vehicles, and 6.3 percent subcompacts.

These fleets also said they will purchase 1,350 import vehicles in the upcoming model year. This number is deceptive, however, since one fleet alone plans to buy 378 import vehicles. Last year 1,006 imports were purchased.

Almost 300 fleet managers said they were responsible for purchasing corporate vehicles assigned to company executives. The 297 positive respondents purchased 6,087 executive cars last year. Also, 90 fleet managers purchase approximately 600 vehicles for use in executive car pools and 65 managers purchase almost 800 personally-owned executive vehicles. These numbers are indicative of the ever-increasing responsibilities of today's fleet managers.

An overwhelming majority, 94 percent, of the respondents said lower gasoline prices will not affect their fleet car selection for the 1987 model year. Of those fleets which said gasoline prices would affect their car selection, eight said they would probably change from six-cylinder vehicles to four cylinders, but five fleets said they would change from four-cylinder to six-cylinder vehicles. Others said the money saved from lower gasoline prices would allow them to purchase additional optional equipment on vehicles.

More than 90 percent (93.3) of

Number of Imports Purchased

Group	1986	1987
Banking & Credit Agencies/Financial	25	30
Public Utility	250	200
Chemical & Petroleum	5	6
Food & Beverage	48	38
Consumer Manufacturing	84	25
Drugs & Cosmetics	277	310
Government	0	0
Insurance	7	379*
Industrial Manufacturing	15	29
Other/Misc.	295	333
TOTALS	**1,006**	**1,350**

*378 by one fleet

These numbers show that most responding fleet groups will buy approximately the same number of 1987 imports as they did in 1986. However, if the one fleet buying 378 imports were eliminated, the total imports scheduled for purchase in 1987 would be less than those purchased in 1986. As it stands, six groups will buy more imports than last year, three groups will buy less, and one will remain the same. Imports compose 1.4 percent of all 1987 model year purchases.

Figure 1

respondents also said the elimination of the investment tax credit (ITC) would not affect their 1987 fleet car selection. Of those fleets saying ITC elimination would affect car selection, almost all said they would be forced to eliminate some option on their selector lists.

Of fleets which purchased some of their vehicles with fleet incentive programs, 254 said they purchased from 80 to 100 percent of their vehicles with these programs. This compares with 274 fleets who said they purchased from one to 79 percent of their vehicles with fleet incentive programs.

Of 432 possible responses, 232 fleets give vehicle operators their choice of make of vehicle; 164 give them choice of model of vehicle; 155 give them choice of vehicle accessories, and 51 give them choice of engine type.

Fleets Giving Operator Choice of Items

Group	Make	Model	Engine	Accessories	Color
Banking and Credit	4	3	0	2	9
Public Utility	4	2	1	1	3
Chemical and Petroleum	23	17	6	10	26
Food and Beverage	22	20	6	15	31
Consumer Manufacturing	29	17	6	14	30
Drugs and Cosmetics	30	21	4	26	34
Government	1	2	3	3	4
Insurance	29	18	3	19	51
industrial Manufacturing	44	32	11	35	57
Other/Miscellaneous	46	32	11	30	58
TOTALS	**232**	**164**	**51**	**155**	**303**

(All totals are out of a possible 432 responses)

Figure 2

New Car Acquisition Summary

	Current Composition										Breakdown			
Group	Number of Cars	Company Owned	Leased	Employee Owned	Sub-Compact	Compact	Mid-Size	Large	1986 New Car Purchases	1987 New Car Purchases	Sub-Compact	Compact	Mid-Size	Large
Banking & Credit Agencies/Financial (11)	2,449	1,498	901	50	15	362	1,709	185	612	659	0	84	491	24
Public Utility (24)	39,145	32,144	5,999	1,002	8,033	24,880	3,594	999	4,104	5,604	2,313	2,440	764	101
Chemical & Petroleum (29)	15,978	7,249	8,600	129	13	504	7,730	2,499	4,182	4,235	25	510	3,008	642
Food & Beverage (34)	25,093	14,152	9,912	1,029	1,011	11,646	10,071	1,431	9,826	9,774	765	3,454	4,529	451
Consumer Manufacturing (42)	36,424	19,361	16,374	689	707	5,020	19,548	1,701	12,864	12,507	2	925	9,466	807
Drugs & Cosmetics (43)	29,611	2,316	27,169	126	233	2,061	23,761	2,357	11,380	12,014	0	431	10,742	846
Government (44)	63,800	62,869	931	0	3,294	10,341	10,825	23,649	9,564	11,194	1,416	2,011	2,136	5,619
Insurance (52)	44,781	20,599	18,214	5,968	372	15,732	13,859	1,431	13,059	12,478	86	5,655	6,185	324
Industrial Manufacturing (68)	39,577	6,922	25,326	7,329	21	10,535	18,478	2,016	9,709	10,953	0	4,232	6,271	451
Other/ Miscellaneous (85)	65,449	27,015	37,850	584	2,216	8,241	28,944	7,180	19,093	16,978	1,336	2,672	10,574	2,041
TOTALS (432)	**362,307**	**194,125**	**151,276**	**16,906**	**15,915**	**89,322**	**138,519**	**43,448**	**94,393**	**96,396**	**5,943**	**22,414**	**54,166**	**11,306**
Percent of Totals	100%	54%	42%	4%	6%	31%	48%	15%			6.2%	23.2%	56.2%	11.7%

432 fleets, responsible for 362,307 vehicles, responded to NAFA's 1987 New Car Acquisition Survey. More than half of the vehicles represented in this survey are company-owned, contrary to some current reports that most fleets are leasing their vehicles. Also, almost half of the vehicles represented in this survey are mid-size, which has been the case for the past three years. The number of expected purchases of 1987 model year vehicles has increased from last year, and again, more than half of these vehicles will be mid-size.

Figure 3

As part of NAFA's New Car Acquisition Survey, respondents are asked to rank in order of importance seven factors they use for fleet car selection. The seven factors are: administrative ease; company prestige; depreciation/resale value/holding cost; economy of operation; fringe benefit/driver satisfaction; initial cost, and serviceability/maintenance.

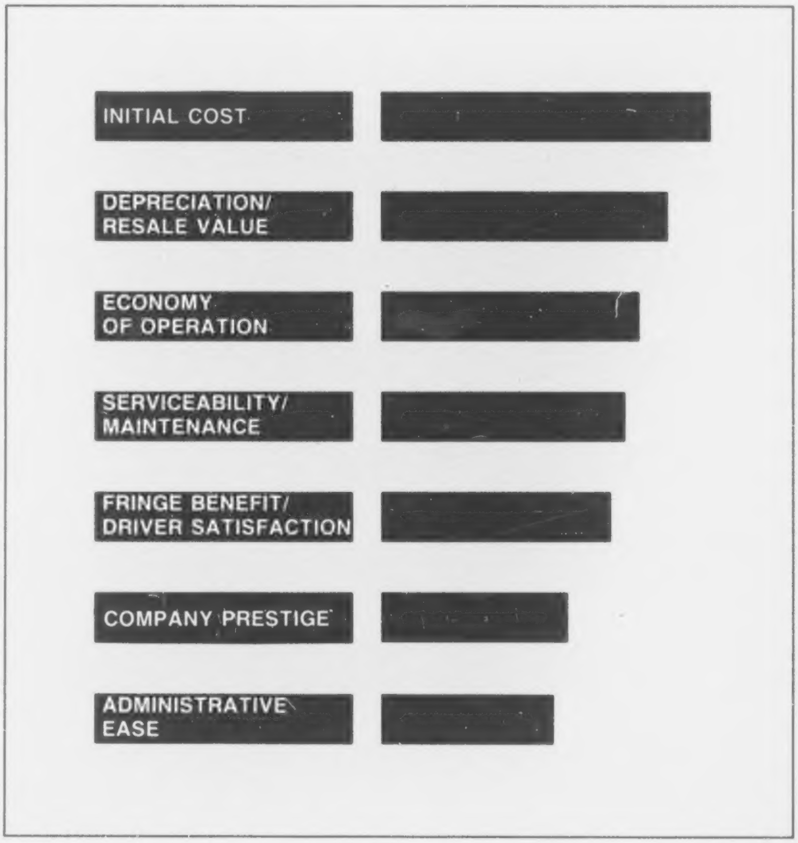
For the third year in a row, Initial Cost is the most important factor in fleet car selection, according to the 432 responding fleets. Depreciation/resale value/holding cost remains second on the list, as it was the previous two years. Also staying the same over the last two years: economy of operation comes in third on the list of important criteria, and serviceability/maintenance was fourth. Fringe benefit/driver satisfaction and company prestige were fifth and sixth, respectively; in 1984, these items were reversed. The new item on the list of selection criteria, administrative ease, was last in the rankings.

The ranking, from most to least important, for each fleet classification are:

Banking and Credit Agencies/Financial: Initial cost, Economy of Operation, Depreciation/Resale Value/Holding Cost, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige and Administrative Ease.

Public Utility: Initial Cost, Serviceability/Maintenance, Economy of Operation, Depreciation/Resale Value/Holding Cost, Fringe Benefit/Driver Satisfaction, Administrative Ease and Company Prestige.

Chemical and Petroleum: Depreciation/Resale Value/Holding Cost, Initial Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige and Administration Ease.



Food and Beverage: Initial Cost, Depreciation/Resale Value/Holding Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease.

Consumer Manufacturing: Initial Cost, Depreciation/Resale Value/Holding Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease.

Drugs and Cosmetics: Depreciation/Resale Value/Holding Cost, Initial Cost, Serviceability/Maintenance, Economy of Operation, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease.

Government: Initial Cost, Economy of Operation, Serviceability/Maintenance, Depreciation/Resale Value/Holding Cost, Fringe Benefit/Driver Satisfaction, Administrative Ease, and Company Prestige.

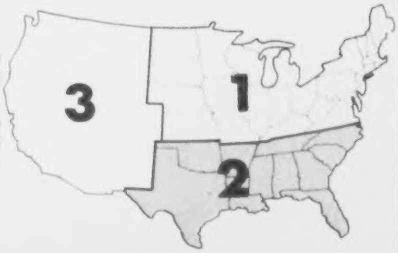
Insurance: Initial Cost, Depreciation/Resale Value/Holding Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease.

Industrial Manufacturing: Initial Cost, Depreciation/Resale Value/Holding Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease.

Other/Miscellaneous: Initial Cost, Depreciation/Resale Value/Holding Cost, Economy of Operation, Serviceability/Maintenance, Fringe Benefit/Driver Satisfaction, Company Prestige, and Administrative Ease. AF

USED CARS

The following are average car prices ending October 8, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2517	2543	2491
83 AMC CONCORD			
Sdn	2733	2760	2705
Sta Wgn	2885	2915	2657
83 BUICK SKYLARK			
Sdn Custom	3230	3263	3197
82 BUICK SKYLARK			
Sdn	2635	2660	2606
83 BUICK REGAL			
Sdn	4749	4798	4700
Cpe	4885	4936	4833
82 BUICK REGAL			
Turbo Cpe	4247	4289	4204
Cpe	4112	4151	4070
83 BUICK CENTURY			
Sdn Custom	4610	4655	4566
82 BUICK CENTURY			
Sdn Custom	3838	3874	3798
83 CADILLAC			
Cpe DeVille	7737	7815	7661
Sdn DeVille	7692	7774	7615
82 CADILLAC			
Cpe DeVille	6163	6224	6100
Sdn DeVille	6120	6185	6058
83 CHEVY			
Chvt Htchbk 4 Dr	2050	2069	2028
Camaro Cpe 8	5270	5323	5220
82 CHEVY			
Chvt Htchbk 4 Dr	1601	1616	1586
Camaro Cpe 8	4524	4571	4475
83 CHEVY CELEBRITY			
Sdn	4084	4125	4044
82 CHEVY CELEBRITY			
Sdn	3303	3336	3270
83 CHEVY CAVALIER			
Sdn	3301	3335	3268
82 CHEVY CAVALIER			
Sdn	2228	2248	2204
83 CHEVY CITATION			
Cpe 6	2488	2513	2462
82 CHEVY CITATION			
Cpe 6	1917	1937	1899
83 CHEVY MALIBU			
Clas Sdn	3785	3823	3749
Clas Sta Wgn	3942	3978	3904
82 CHEVY MALIBU			
Clas Sdn	3135	3169	3104
Clas Sta Wgn	3273	3306	3239
83 CHEVY MONTE CARLO			
Cpe	4912	4960	4862
82 CHEVY MONTE CARLO			
Cpe	3325	3361	3291
83 CHEVY IMPALA			
Sdn	4331	4374	4267
82 CHEVY IMPALA			
Sdn	3348	3382	3316
Wgn 9	3480	3518	3447
83 CHEVY CAPRICE			
Sdn	4925	4976	4877
Sta Wgn	5096	5147	5045
83 CHRYSLER			
E-Class Sdn	4068	4110	4026
82 CHRYSLER			
New Yorker Sdn	4855	4903	4807
83 DODGE OMNI			
4 Dr Cust	2367	2391	2343
82 DODGE OMNI			
4 Dr Cust	1754	1770	1737
83 DODGE ARIES			
Cpe	2700	2729	2672
82 DODGE ARIES			
Sdn	2044	2064	2024
83 DODGE DIPLOMAT			
Sln Sdn	3299	3330	3264
82 DODGE DIPLOMAT			
Sln Sdn	2633	2658	2606
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2880	2910	2852
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2255	2275	2230
83 FORD MUSTANG			
L-Cpe 4	3464	3497	3427
82 FORD MUSTANG			
L-Cpe 4	2718	2745	2691
83 FORD LTD			
Sdn	3287	3321	3253
82 FORD LTD			
Sdn	3389	3424	3361
83 FORD ESCORT			
Htchbk 4 Dr	2334	2354	2310
83 FORD CROWN VIC			
Sdn	5536	5590	5484
82 FORD CROWN VIC			
Sdn	4014	4055	3973
83 FORD THUNDERBIRD			
Cpe	5097	5146	5046
82 FORD THUNDERBIRD			
Cpe	3839	3877	3799
83 LINCOLN CONTINENTAL			
Sdn	9865	9964	9768
Mark VI Cpe	9998	10100	9897
82 LINCOLN CONTINENTAL			
Sdn	7810	7884	7732
Mark VI Cpe	8007	8085	7927
83 MERCURY COUGAR			
Cpe	5186	5236	5131
82 MERCURY COUGAR			
GS Cpe	2735	2763	2706
83 MERCURY LYNX			
HtchBk 2-Dr	2300	2323	2276
83 MERCURY MARQUIS			
Sdn	3327	3359	3293
82 MERCURY MARQUIS			
Sdn	3694	3730	3657
Wgn-2S	3809	3847	3770
83 OLDS CIERA LS			
Cpe	4545	4592	4500
Sdn	4603	4650	4557
83 OLDS CUTLASS SUPREME			
Cpe	5169	5221	5117
Sdn	5024	5074	4977
82 OLDS CUTLASS SUPREME			
Sdn	5024	5074	4977
Cpe	5169	5221	5117
83 OLDS DELTA 88			
Sdn	4877	4926	4826
82 OLDS DELTA 88			
Sdn	4085	4126	4042
83 OLDS DELTA 98			
Sdn	6727	6795	6660
82 OLDS DELTA 98			
Sdn	5355	5407	5300
83 OLDS OMEGA			
Sdn	3230	3263	3197
82 OLDS OMEGA			
Sdn	2635	2660	2606
83 OLDS FIRENZA			
Sdn	3639	3677	3602
82 OLDS FIRENZA			
Sdn	2945	2973	2917
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2305	2327	2278
83 PLYMOUTH RELIANT			
Cpe	2708	2736	2681
82 PLYMOUTH RELIANT			
Cpe	2027	2045	2008
83 PONTIAC FIREBIRD			
Cpe 8	5298	5351	5247
83 PONTIAC 6000			
Cpe	4206	4246	4160
Sdn	4262	4304	4218
82 PONTIAC 6000			
Cpe	3495	3528	3458
83 PONTIAC GRAND PRIX			
Cpe	5067	5117	5017
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4267	4307	4224
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3510	3545	3476
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3124	3155	3092
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2364	2386	2339
83 DATSUN			
Sentra 2 Dr Std Sdn	2609	2635	2584
Stanza Hbk 4 Dr Dlx	3594	3629	3557
82 DATSUN			
210 Std 2 Dr	1882	1901	1864
Sentra 2 Dr	2131	2153	2112
Stanza Hbk 4 Dr Dlx	2899	2929	2869
83 TOYOTA			
Corolla Sedan 2 Dr	3304	3337	3271
Celica St	4730	4777	4684
Camry Sedan	5371	5426	5319
82 TOYOTA			
Corolla 2 Dr Sdn	2616	2642	2590
Celica St Cpe	3861	3900	3821

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	$142.9	$130.4
Ft. Smith, AR	113.9	73.9
Santa Ana, CA	135.9	77.4
Washington, D.C.	135.8	88.1
Atlanta, GA	108.7	72.1
Honolulu, HI	154.8	115.7
Salisbury, MD	107.9	80.4
Grand Rapids, MI	105.4	78.4
St. Louis, MO	102.4	66.7
Charlotte, NC	97.9	79.9
Reno, NV	132.4	111.4
Brooklyn, NY	92.9	76.9
Youngstown, OH	85.9	70.2
Columbia, SC	107.9	71.4
Houston, TX	112.8	68.8

Survey conducted during the first five working days of October 1986. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Las Vegas' Municipal Fleet

SPECIAL LIGHT-TRUCK ISSUE

'87 Trucks, Statistics, and Specs

- Minivan Comparison • Shuttle [illegible]
- Vehicle Security Systems • Vendor Directory

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

DECEMBER 1986
VOL. 26, NO. 2
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets

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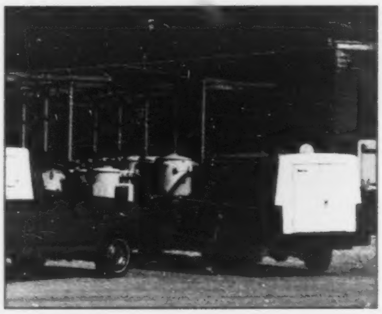
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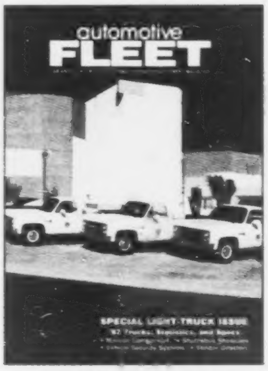

On the cover: 1986 Chevrolet Custom C-20s, key trucks in the fleet operated by the city of Las Vegas, NV, are shown at the city's Cashman Field complex in this photo by city photographer Margaret Mendez. Story on page 70.

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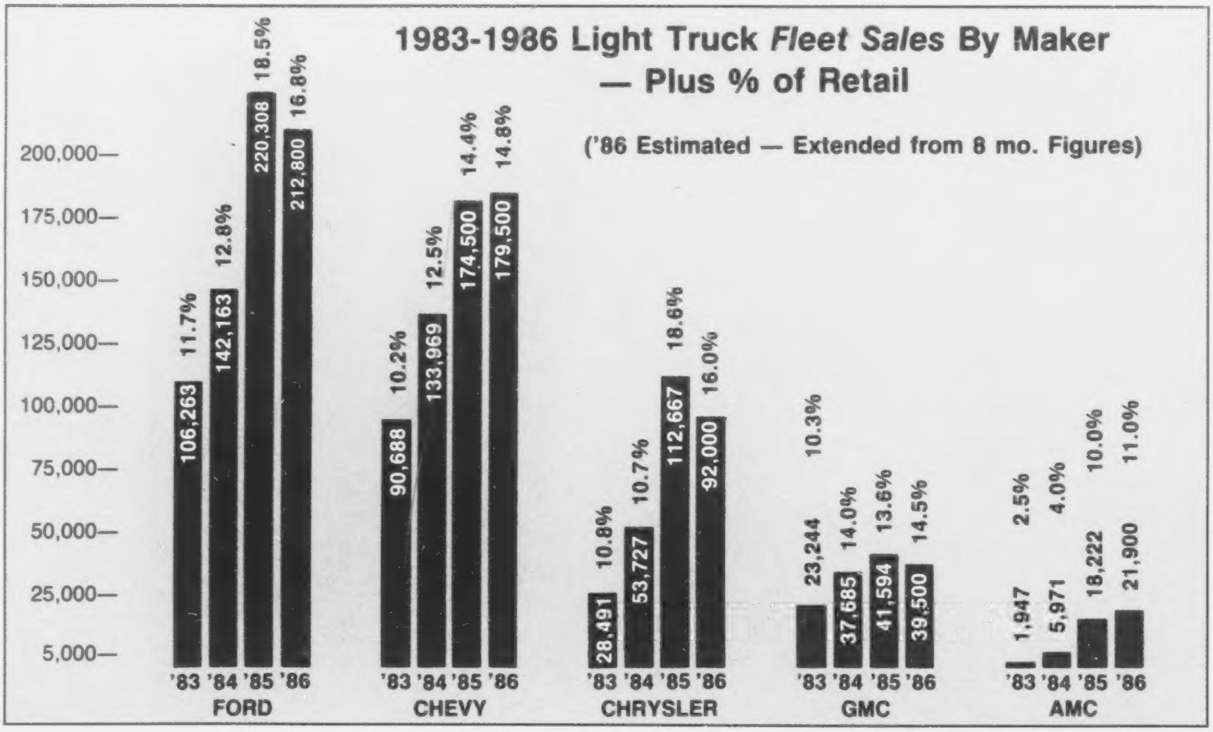
U.S. Light Truck Statistics

New 1978 to 1986 Light Truck Registrations Reported National and Fleet Totals — class I, II & III

Source: Automotive Fleet *Research Dept.*

MAKE	1978	1979	1980	1981	1982	1983	1984	1985	1ST 8 MOS. 1986 CYTD	ESTIMATED 1986 CY TOTAL
Total	3,518,374	4,065,190	2,749,051	1,926,887	2,237,843	2,799,636	3,793,798	4,391,588	2,965,781	4,041,000
Fleet	351,926	558,430	435,910	294,475	317,017	294,633	455,742	670,801	446,985	657,100
% Fleet	*10.0*	*13.7*	*15.8*	*15.3*	*14.2*	*10.5*	*8.3*	*15.3*	*15.1*	*16.3*
CHEVY	1,233,932	1,832,454	1,114,847	619,997	726,358	891,125	1,072,231	1,209,012	798,770	1,216,000
	123,369	156,170	117,983	94,289	97,514	90,688	133,969	174,500	121,289	179,500
	9.99	*8.52*	*10.58*	*15.2*	*13.4*	*10.2*	*12.5*	*14.4*	*15.2*	*14.8*
FORD	1,219,693	1,185,000	795,000	648,804	689,941	905,846	1,111,832	1,189,053	848,985	1,267,000
	124,823	284,000	206,700	116,979	101,471	106,263	142,163	220,308	142,571	212,800
	10.23	*24.00*	*26.00*	*18.00*	*14.7*	*11.7*	*12.8*	*18.5*	*16.8*	*16.8*
GMC	283,540	236,750	141,744	128,615	186,257	224,718	268,858	305,379	197,894	272,000
	27,552	30,591	23,498	21,531	23,772	23,244	37,685	41,594	30,994	39,500
	9.72	*12.92*	*16.57*	*16.7*	*12.8*	*10.3*	*14.0*	*13.6*	*15.6*	*14.5*
DODGE &	396,268	400,945	347,138	181,308	228,232	263,687	503,967	606,388	366,156	575,000
PLYMOUTH	41,603	48,794	52,731	29,930	29,078	28,491	53,727	112,677	52,081	92,000
	10.50	*12.16*	*15.90*	*16.50*	*12.7*	*10.8*	*10.7*	*18.6*	*14.2*	*16.0*
AMC/JEEP	161,912	140,431	77,852	58,257	62,097	76,453	148,040	181,939	87,483	199,000
	21,979	20,875	11,498	3,246	3,816	1,947	5,971	18,222	9,470	21,900
	13.57	*14.86*	*14.76*	*5.60*	*6.1*	*2.5*	*4.0*	*10.0*	*10.8*	*11.0*
OTHER	210,274	258,017	294,529	317,250	344,958	437,797	687,074	103,500	88,650	111,400
Incl. VW. Imports. etc.	12,600	18,000	23,500	28,500	34,500	44,000	75,500	784,013	678,412	902,915
	6.0	*7.0*	*8.0*	*9.0*	*10.0*	*10.0*	*11.0*	*13.2*	*13.1*	*12.3*



1983-1986 Light Truck *Fleet Sales* By Maker — Plus % of Retail

('86 Estimated — Extended from 8 mo. Figures)

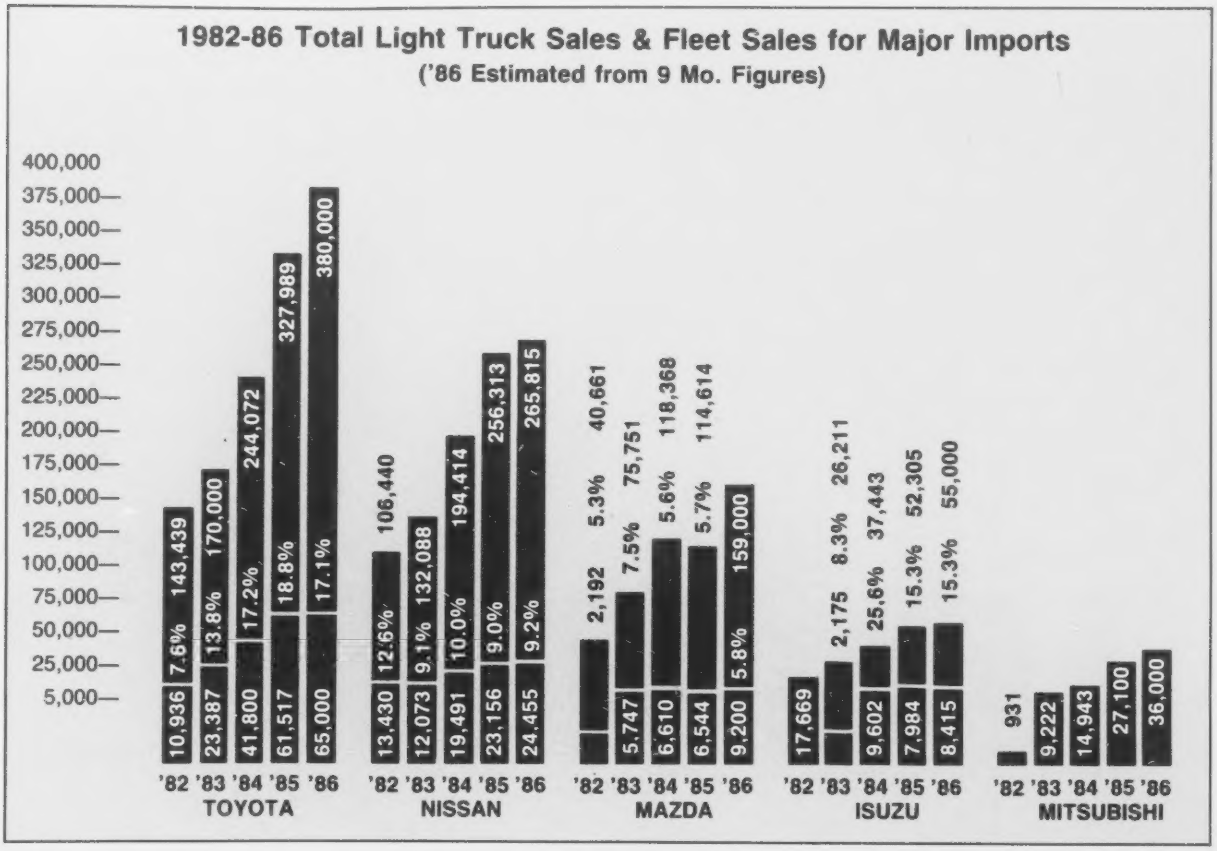
Import Light Truck Market Statistics

New 1979 to 1986 Light Truck Registrations Reported Class I, II & III National and Fleet Totals

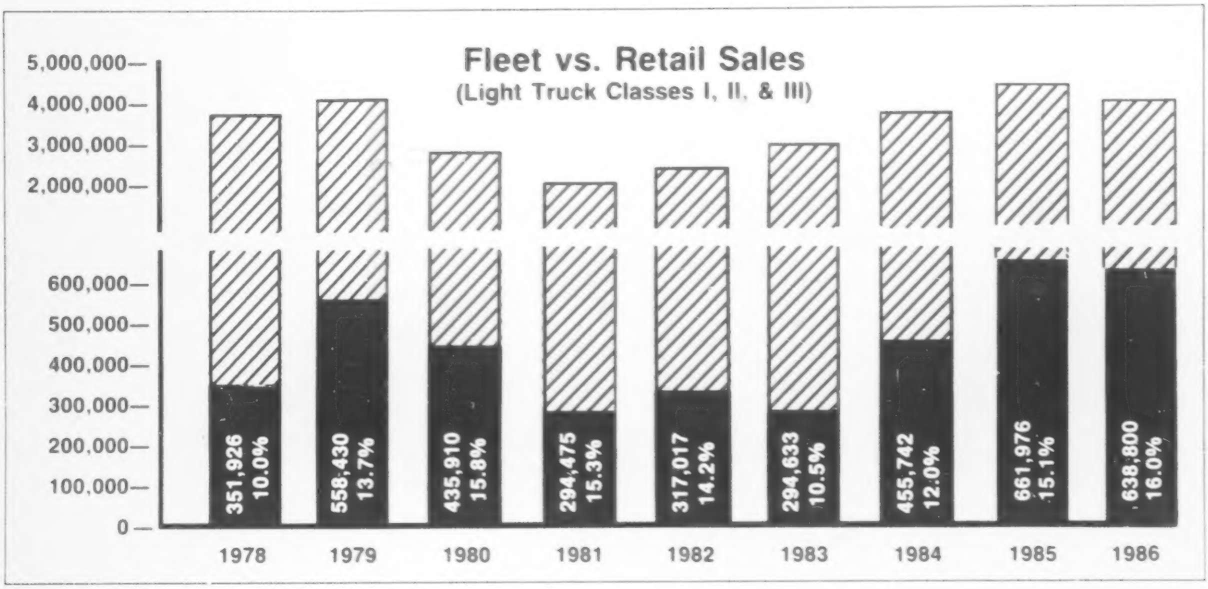
Source: Automotive Fleet *Research Dept.*

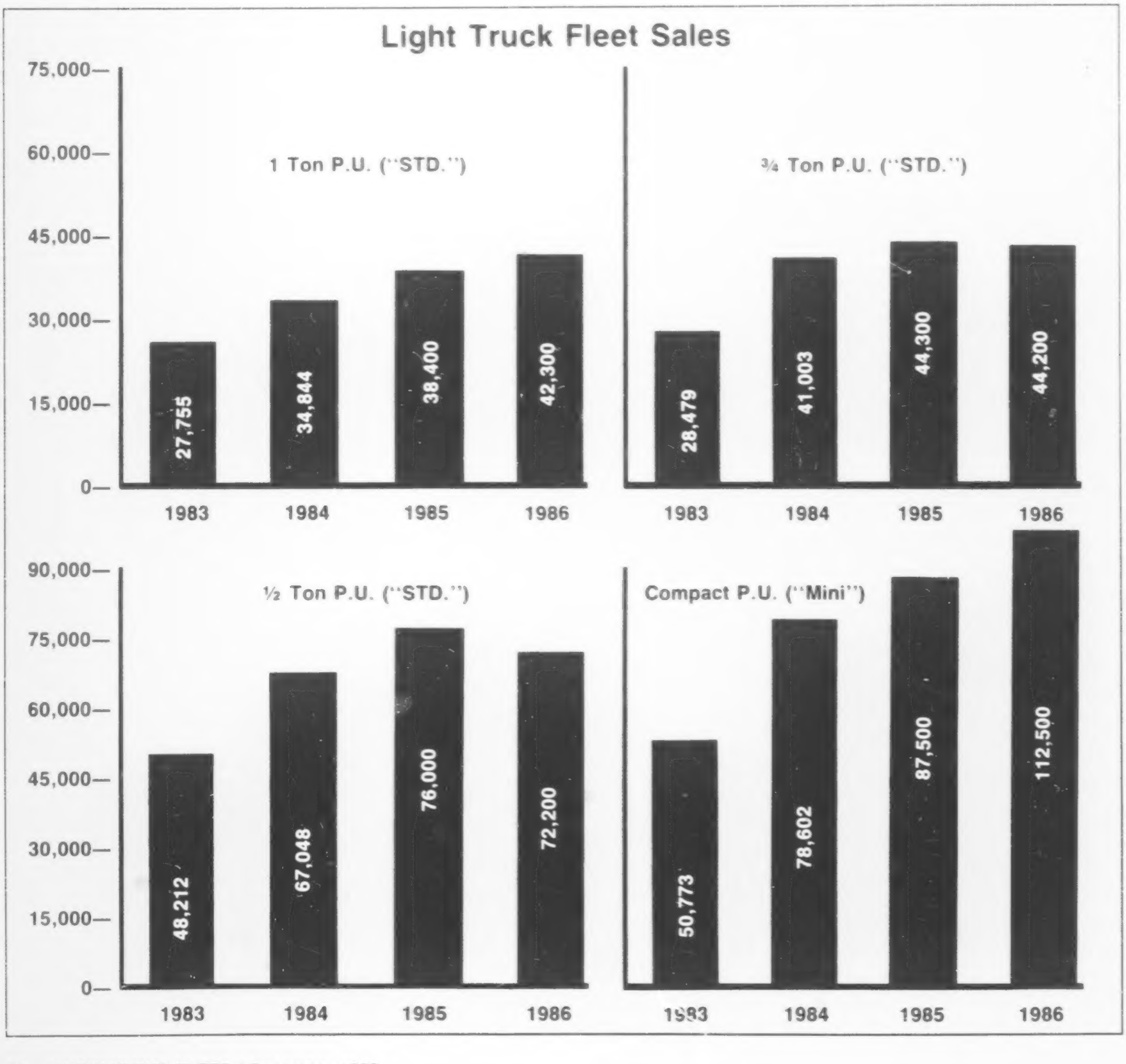
MAKE	1979	1980	1981	1982	1983	1984	1985	1ST 9 MOS. 1986 CYTD	ESTIMATED 1986 CY TOTAL
TOYOTA									
Total	130,648	131,648	130,379	143,439	170,000	244,072	327,989	290,878	380,000
Fleet	4,620	14,624	9,413	10,936	23,387	41,860	61,517	54,462	65,000
% Fleet	*3.53*	*11.1*	*7.2*	*7.6*	*13.8*	*17.2*	*18.8*	*18.7*	*17.1*
NISSAN	104,866	113,242	119,684	106,440	132,088	194,414	256,313	199,361	265,815
	6,046	8,045	6,184	13,430	12,073	19,491	23,156	17,942*	24,455
	5.76	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*9.0*	*8.9*	*9.2*
MAZDA	8,302	8,775	16,798	40,661	75,751	118,368	114,614	118,438	159,000
				2,192	5,747	6,610	6,544	6,893	9,200
				5.3	*7.5*	*5.6*	*5.7*	*5.8*	*5.8*
AMERICAN ISUZU			9,959	17,669	26,211	37,443	52,305	41,222	55,000
					2,175	9,602	7,984	6,346	8,415
					8.3	*25.6*	*15.3*	*15.4*	*15.3*
MITSUBISHI				931	9,222	14,943	27,100	23,882	36,000
IVECO				2,563	2,800	2,457	3,166	1,548	2,100
ISUZU TRUCK (Class III)						—	2,526	3,083	5,000

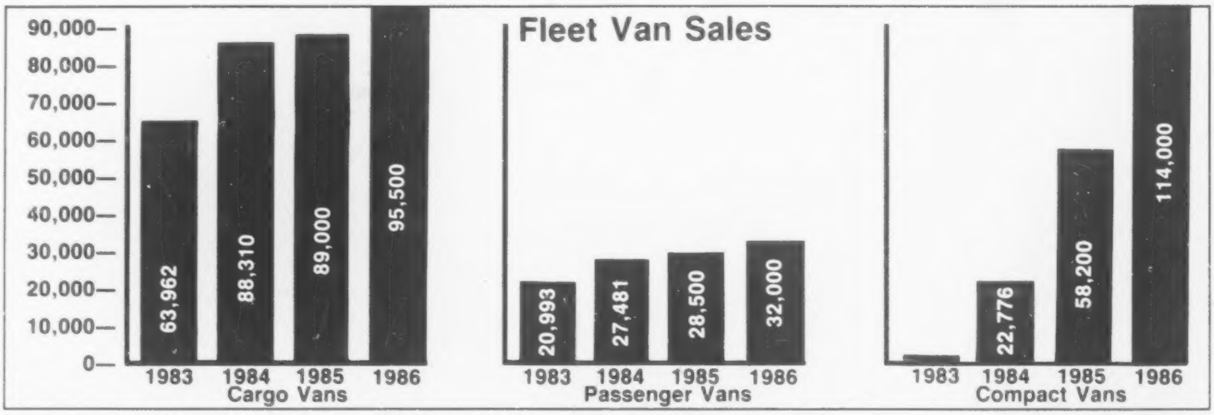
*Estimated

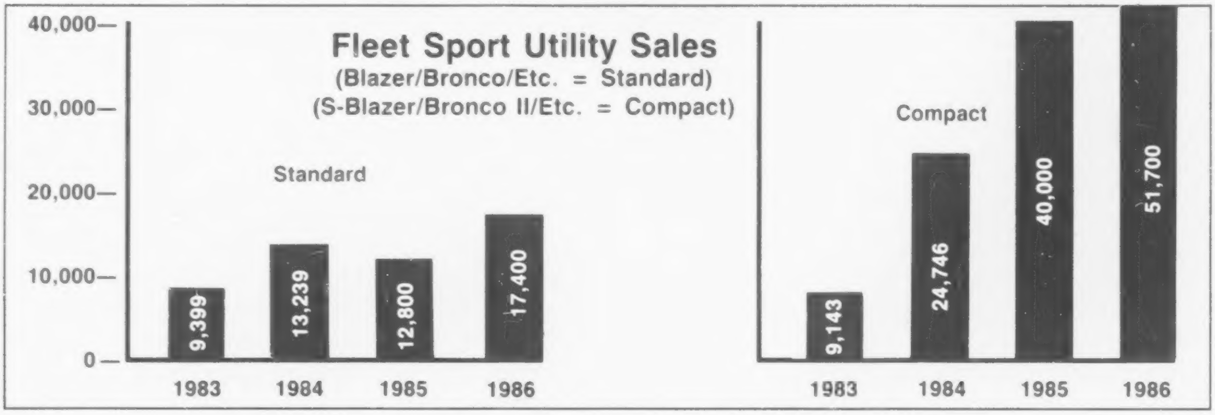


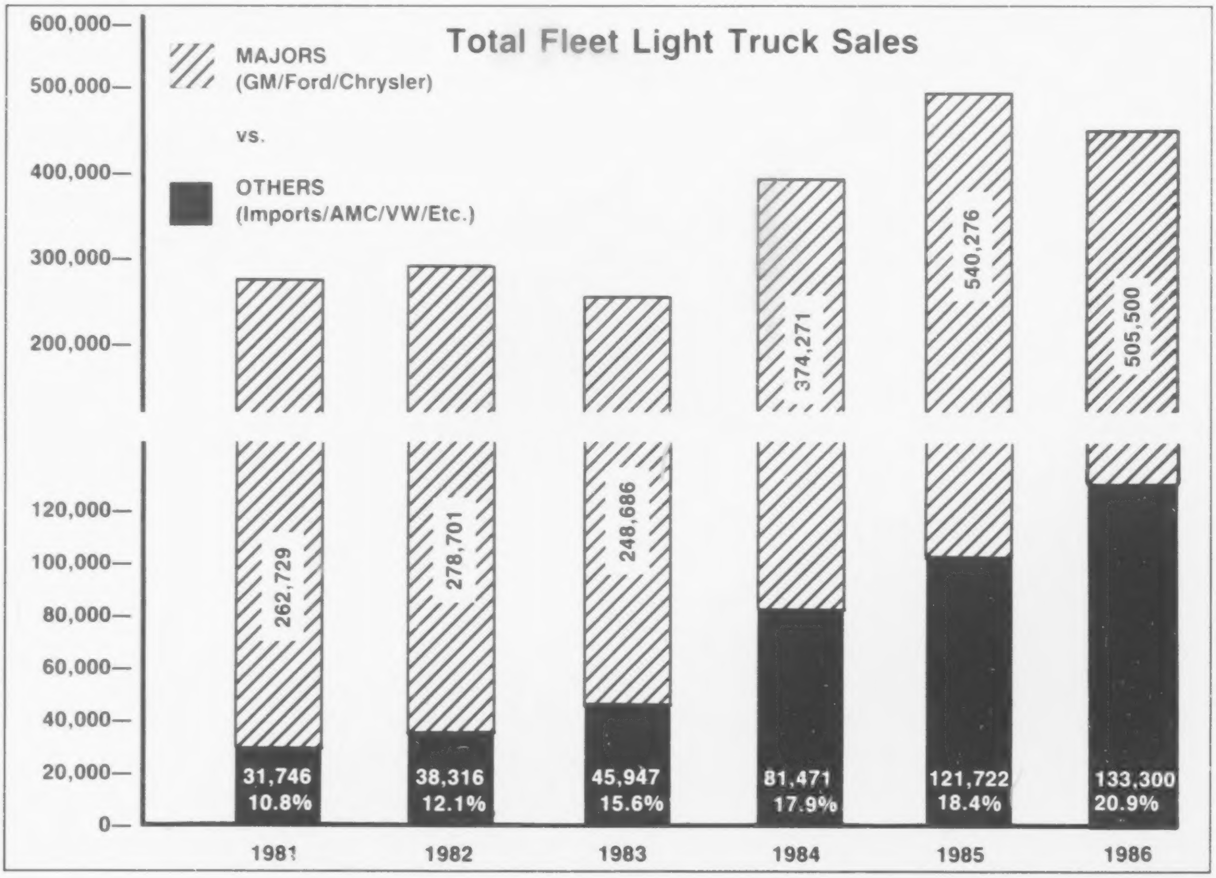
1982-86 Total Light Truck Sales & Fleet Sales for Major Imports
('86 Estimated from 9 Mo. Figures)


Fleet vs. Retail Sales
(Light Truck Classes I, II, & III)
5,000,000
4,000,000
3,000,000
2,000,000
600,000
500,000
400,000
300,000
200,000
100,000
0
351,926 10.0%
558,430 13.7%
435,910 15.8%
294,475 15.3%
317,017 14.2%
294,633 10.5%
455,742 12.0%
661,976 15.1%
638,800 16.0%
1978
1979
1980
1981
1982
1983
1984
1985
1986


Light Truck Fleet Sales
75,000
60,000
45,000
30,000
15,000
0
1 Ton P.U. ("STD.")
27,755
34,844
38,400
42,300
1983
1984
1985
1986
¾ Ton P.U. ("STD.")
28,479
41,003
44,300
44,200
1983
1984
1985
1986
90,000
75,000
60,000
45,000
30,000
15,000
0
½ Ton P.U. ("STD.")
48,212
67,048
76,000
72,200
1983
1984
1985
1986
Compact P.U. ("Mini")
50,773
78,602
87,500
112,500
1983
1984
1985
1986







Circle 123 on Inquiry Card →

Light Truck/Van Sales Statistics

RETAIL SALES OF NEW TRUCKS BY FRANCHISED DEALERS

Gross Vehicle Weight	1980	1981	1982	1983	1984	1985
0-6,000 lbs.						
Utility	50,842	36,389	50,735	253,823	369,883	428,656
Car-Type Pickup	49,696	37,080	25,305	26,170	25,699	24,420
Compact Pickup Domestic	25,525	59,431	359,177	433,167	560,378	625,358
Compact Pickup Import	228,878	159,551	95,277	55,143	52,894	70,317
Van	78,871	74,983	74,546	67,299	121,374	114,919
Mini Van	—	—	—	18	23,727	103,237
Conventional Pickup (Inc. extended & crew cabs)	544,959	520,180	485,977	445,370	632,401	644,367
Station Wagon (Truck Chassis)	—	—	—	8,394	61,623	85,591
Mini Passenger Carrier	—	—	—	8,174	168,774	300,963
Passenger Carrier	6,446	8,333	10,608	16,364	14,250	10,623
Total 0-6,000 lbs.	**985,947**	**895,947**	**1,101,625**	**1,313,922**	**2,031,003**	**2,408,451**
6,001-10,000 lbs.						
Utility	107,541	70,938	76,457	84,493	103,258	107,790
Van	172,045	168,469	207,466	311,207	264,997	261,050
Van Cutaway Chassis	19,918	21,662	30,951	45,228	54,954	56,122
Conventional Pickup (Incl. extended & crew cabs)	545,720	468,730	484,309	573,918	572,595	628,265
Station Wagon (Truck Chassis)	38,807	37,564	54,517	68,844	86,056	94,603
Passenger Carrier	65,917	56,964	74,992	76,985	84,838	86,765
Multi-Stop	24,867	25,622	31,771	45,924	57,540	45,620
Total 6,001-10,000 lbs.	**974,815**	**849,949**	**961,063**	**1,206,599**	**1,224,238**	**1,280,215**
10,001-14,000 lbs	**3,510**	**748**	**1,062**	**145**	**6,019**	**10,854**

U.S. TRUCK AND BUS FACTORY SALES BY BODY TYPE

	1979	1980	1981	1982	1983	1984	1985
Under 10,000 lbs. G.V.W.							
Pickup	1,623,875	931,093	933,809	1,141,050	1,278,099	1,494,770	1,461,914
Compact or Passenger							
Car Type	81,919	70,456	137,766	445,082	500,827	511,558	575,253
Conventional	1,541,956	860,637	796,043	695,968	777,272	983,212	886,661
Multi-Stop	30,111	20,966	28,637	32,036	47,465	62,984	44,898
Van	391,667	131,346	177,497	192,681	284,607	343,841	401,089
Station Wagon (on Truck Chassis)	136,678	60,634	65,895	88,418	117,931	214,269	240,806
Passenger Carrier	3,619	39,273	37,227	47,066	44,135	54,991	153,741
General Utility	295,642	126,687	136,810	153,230	396,718	507,431	550,977
Other	126,484	76,524	65,528	67,066	50,938	90,969	192,565
Total Under 10,000 lbs. G.V.W.	**2,608,076**	**1,386,523**	**1,445,403**	**1,721,547**	**2,219,893**	**2,769,275**	**3,045,990**
Over 10,000 lbs. G.V.W.							
Multi-Stop	21,706	5,648	793	797	485	5,061	4,635
Buses (Incl. School Bus Chassis)	32,498	34,385	27,295	26,260	26,212	32,437	33,533
Trucks with Fixed Cabs 96" BBC or Shorter	104,749	69,691	54,811	28,118	42,951	66,106	55,866
Trucks With Movable Cabs	76,640	46,365	35,259	34,845	37,347	59,870	45,805
Other Body Types	193,037	124,671	137,347	94,888	87,009	142,576	171,076
Total Over 10,000 lbs. G.V.W.	**428,630**	**280,760**	**255,505**	**184,908**	**194,004**	**306,050**	**310,915**
TOTAL	**3,036,706**	**1,667,283**	**1,700,908**	**1,906,455**	**2,413,897**	**3,075,325**	**3,356,905**

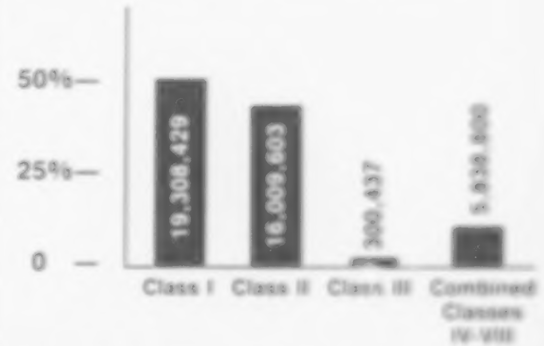
ircle 123 on Inquiry Card

U.S. FACTORY SALES OF DIESEL TRUCKS BY GROSS VEHICLE WEIGHT, POUNDS

TOTAL	6,000 & Less	6,001-10,000	10,001-14,000	Total Class I, II & III
1985	15,447	132,871	5,870	154,188
1984	17,329	128,925	—	148,254
1983	26,355	93,453	—	119,808
1982	47,973	74,929	—	122,902
1981	52,487	20,862	—	73,349
1980	72,501	4,973	—	77,474
1979	33,019	950	—	33,969
1978	35,019	990	—	36,009

Source: Motor Vehicle Manufacturers Assn. (MVMA)

U.S. FACTORY TRUCK SALES
By GVW As Combined
For years 1970-1985



Note: Classes I, II & III combined account for 85.9% for this period.

Source: Automotive Fleet Research Dept.

CHARACTERISTICS OF TRUCKS OWNED (In Thousands)

Characteristic	Total Trucks Number	Total Trucks Percent	10,000 Or Less Lbs. GVW
MAJOR USE			
Agriculture	4,248.8	16.2%	3,068.8
Forestry	217.5	0.8	111.8
Mining	139.0	0.5	70.2
Construction	1,764.8	6.7	1,237.8
Manufacturing	368.5	1.4	176.4
Wholesale and Retail Trade	2,027.9	7.7	1,252.0
For Hire (1)	653.8	2.5	104.0
Personal Transportation	14,260.0	54.4	14,108.1
Utilities	481.2	1.8	357.8
Services	1,641.3	6.3	1,277.4
All Other (2)	429.6	1.6	333.5
BODY TYPE			
Pickup, Panel, Multi Stop, or Walk-in	22,151.0	84.5%	21,714.9
Platform (3)	1,278.2	4.9	269.4
Platform With Added Device	333.1	1.3	96.0
Cattlerack	168.0	0.6	32.8
Insulated Nonrefrigerated Van	58.0	0.2	2.8
Insulated Refrigerated Van	150.5	0.6	6.1
Furniture Van	117.6	0.5	16.8
Open Top Van	30.0	0.1	2.2
All Other Vans	531.3	2.0	10.7
Beverage Truck	67.9	0.3	.8
Utility Truck	290.7	1.1	106.6
Garbage and Refuse Collector	50.7	0.2	1.2
Winch or Crane	92.9	0.4	23.3
Wrecker	101.2	0.4	68.6
Pole and Logging	60.0	0.2	3.0
Auto Transport	15.1	0.1	.8
Dump Truck	452.0	1.7	31.8
Tank Truck for Liquids	236.9	0.9	7.0
Tank Truck for Dry Bulk	34.8	0.1	—
Concrete Mixer	56.0	0.2	—
All Other (4)	27.1	0.1	8.0
ANNUAL MILES			
Less Than 5,000 Miles	6,279.7	24.0%	4,063.7
5,000 to 9,999 Miles	6,297.9	24.0	5,616.6
10,000 to 19,999 Miles	9,690.4	37.0	8,891.2
20,000 to 29,000 Miles	2,457.7	9.2	2,045.4
30,000 to 49,999 Miles	980.1	3.7	577.1
50,000 to 74,999 Miles	291.5	1.1	92.8
75,000 Miles or More	105.7	1.0	28.1
ACQUISITION			
Purchased New	[illegible]	47.6	10,480.1
Purchased Used	13,113.2	50.0	11,416.0
Leased and Not Reported (5)	617.3	2.4	488.3
TOTAL TRUCKS	**26,213.4**	—	**22,395.1**
TOTAL PERCENT	—	**100.0%**	**85.4**

(1) For-Hire includes for hire and daily rental.
(2) All Other includes other not in use and not reported.
(3) Platform includes low boy with depressed center and other platform.
(4) All Other includes other and not reported, boat transport and mobile home puller.
(5) Leased from someone else and not reported were added together.

SOURCE: U.S. Bureau of the Census, *1977 Census of Transportation, Truck Inventory and Use Survey.*

Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

'86	'85	Company	Contact	#Lt. Trucks and Vans
1	**1**	**Sears, Roebuck and Co. Chicago, IL**	**William H. Jones III**	**13,800**
2	**3**	**Federal Express Corp. Memphis, TX**	**Jim Wheeler**	**13,400**
3	2	Frito-Lay, Inc. Dallas, TX	Thomas L. Smith	11,500
4	4	Continental Baking Co. St. Louis, MO	P.J. Walsh	8,685
5	**13**	**Xerox Rochester, NY**	**Ron Pink**	**7,148**
6	**5**	**ARA Services Philadelphia, PA**	**Ralph Jamic**	**5,080**
7	8	Purolator Service, Inc. New Hyde Park, NJ	Jack Neusch	4,500
8	—	Allegheny Beverage Corp. Cheverly, Md	Jeff Mann	4,250
9	**7**	**Interstate Brands Corp. Kansas City, MO**	**David Wiseman**	**3,663**
10	**6**	**Union Pacific System Omaha, NE**	**Don Dyer**	**3,600**
11	10	Shell Oil Co. Houston, TX	Eunice Stigall	3,395
12	11	Rollins, Inc. Atlanta, GA	Charles Huffstetler	3,370
13	**[illegible]**	**Goodyear Akron, OH**	**A.P. Spencer**	**3,200**
14	20	Canteen Corp. Chicago, IL	Mark Klein	3,200
15	22	Union Carbide Corp. Danbury, CT	Walt Dzitko	3,000
16	**14**	**Phillips Petroleum Co. Bartlesville, OK**	**James I. Grillot**	**2,992**
17	**9**	**AMOCO Chicago, IL**	**Richard Swanson**	**2,900**
18	—	General Electric Louisville, KY	Vic Miska	2,794
19	16	Westinghouse Pittsburgh, PA	Lou Dobak	2,750
20	**24**	**Honeywell Minneapolis, MN**	**Connie Wesley**	**2,708**
21	**17**	**Burlington Northern RR St. Paul, MN**	**John Long**	**2,700**
22	18	Exxon Co. U.S.A. Houston, TX	John Dewees	2,700
23	—	Ashland Petroleum Co. Ashland, KY	Bill Bloss	2,594
24	**15**	**Tenneco, Inc. Houston, TX**	**J.R. "Jack" Gudelman**	**2,511**
25	**23**	**American Bakeries Charlotte, NC**	**R.G. Kearns**	**2,400**

Source: *Automotive Fleet* Research Department

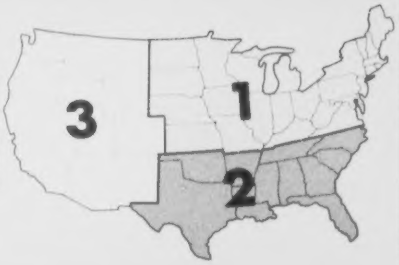
STATISTICS

Top Twenty-Five Utility Light-Truck & Van Fleets

'86	'85	Company	Contact	#Lt. Trucks and Vans
1	**1**	**Bell South Services, Inc. Atlanta, GA**	**Larry Ross**	**18,000**
2	2	Southwestern Bell St. Louis, MO	Elizabeth Towns	15,153
3	**3**	**Pacific Bell San Francisco, CA**	**Roger Weaver**	**9,357**
4	4	Pacific Gas & Electric San Francisco, CA	Bill Elby	7,086
5	**5**	**General Telephone of California, Pomona, CA**	**Darryl Meekhof**	**6,998**
6	7	Continental Telephone Atlanta, GA	George Weimer	6,151
7	**6**	**New York Telephone Brooklyn, NY**	**Lindsay Payne**	**6,146**
8	9	Mountain Bell Denver, CO	Scott Madsen	5,271
9	**11**	**Gen'l. Tel. of Southwest San Angelo, TX**	**John Riordan**	**2,994**
10	14	Amer. Elec. Power Serv. Columbus, OH	Dick Stage	2,815
11	**15**	**So. California Edison Pomona, CA**	**Dennic Stewart**	**2,490**
12	10	Bell Tel. & Diamond State Tel., Philadelphia, PA	Robert Fisher	2,455
13	**8**	**New England Tel. & Tel. Boston, MA**	**Bruce Dickey**	**2,400**
14	12	General Tel. Co. of Florida Tampa, FL	Douglas L. Carr	2,398
15	**13**	**Pacific N.W. Bell Seattle, WA**	**Mike Harris**	**2,297**
16	18	Consumers Power Co. Jackson, MI	John Schafer	1,940
17	**19**	**SNET Company New Haven, CT**	**G. Welker**	**1,830**
18	17	Public Service Electric & Gas Co., Newark, NJ	G.T. Ela	1,694
19	**20**	**General Public Utility Parsippany, NJ**	**Jim Williams**	**1,594**
20	21	Columbia Gas Dist. Co. Columbus, OH	Timothy L. Weber	1,516
21	**22**	**Public Service Co. of Colorado, Denver, CO**	**R. Fields**	**1,500**
22	16	Florida Light & Power Miami, FL	Donald Wheeler	1,351
23	**23**	**Bell Tel. of Pennsylvania Pittsburgh, PA**	**E.N. Ripper**	**1,187**
24	24	Michigan Consolidated Gas Co., Detroit, MI	J. Pilotto	826
25	**25**	**Public Services of Indiana, Plainfield, IN**	**Mike Hesson**	**682**

Source: *Automotive Fleet*
Research Department

USED CARS



The following are average car prices ending November 5, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.

	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2429	2454	2380
83 AMC CONCORD			
Sdn	2638	2665	2585
Sta Wgn	2785	2813	[illegible]
83 BUICK SKYLARK			
Sdn Custom	3134	3166	[illegible]
82 BUICK SKYLARK			
Sdn	2556	2582	2505
83 BUICK REGAL			
Sdn	4631	4678	4539
Cpe	4763	4811	4668
82 BUICK REGAL			
Turbo Cpe	4120	4162	4038
Cpe	3989	4030	3909
83 BUICK CENTURY			
Sdn Custom	4496	4541	4406
82 BUICK CENTURY			
Sdn Custom	3704	3742	3630
83 CADILLAC			
Cpe DeVille	7521	7596	7371
Sdn DeVille	7478	7553	7328
82 CADILLAC			
Cpe DeVille	5980	6040	5861
Sdn DeVille	5938	5997	5818
83 CHEVY			
Chvt Htchbk 4 Dr	2333	2357	2287
Camaro Cpe 8	5087	5138	4985
82 CHEVY			
Chvt Htchbk 4 Dr	1851	1870	1813
Camaro Cpe 8	4367	4411	4280
83 CHEVY CELEBRITY			
Sdn	3982	4022	3903
82 CHEVY CELEBRITY			
Sdn	3255	3287	3190
83 CHEVY CAVALIER			
Sdn	3186	3218	3122
82 CHEVY CAVALIER			
Sdn	2363	2387	2316
83 CHEVY CITATION			
Cpe 6	2389	2413	2341
82 CHEVY CITATION			
Cpe 6	1841	1860	1804
83 CHEVY MALIBU			
Clas Sdn	3672	3709	3598
Clas Sta Wgn	3825	3863	3748
82 CHEVY MALIBU			
Clas Sdn	3042	3072	2981
Clas Sta Wgn	3176	3207	3113
83 CHEVY MONTE CARLO			
Cpe	4765	4813	4670
82 CHEVY MONTE CARLO			
Cpe	3841	3879	3764
83 CHEVY IMPALA			
Sdn	4224	4266	4139
82 CHEVY IMPALA			
Sdn	3232	3264	3167
Wgn 9	3359	3393	3292
83 CHEVY CAPRICE			
Sdn	4803	4851	4706
Sta Wgn	4969	5019	4870
83 CHRYSLER			
E-Class Sdn	3967	4006	3887
82 CHRYSLER			
New Yorker Sdn	4710	4758	4616
83 DODGE OMNI			
4 Dr Cust	2637	2664	2584
82 DODGE OMNI			
4 Dr Cust	1987	2007	1947
83 DODGE ARIES			
Cpe	2606	2632	2554
82 DODGE ARIES			
Sdn	1973	1992	1934
83 DODGE DIPLOMAT			
Sln Sdn	3185	3217	3121
82 DODGE DIPLOMAT			
Sln Sdn	2542	2568	2491
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2780	2808	2724
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2166	2187	2123
83 FORD MUSTANG			
L-Cpe 4	3673	3710	3599
82 FORD MUSTANG			
L-Cpe 4	2892	2921	2834
83 FORD LTD			
Sdn	3189	3221	3125
82 FORD LTD			
Sdn	3271	3304	3206
83 FORD ESCORT			
Htchbk 4 Dr	2594	2620	2542
83 FORD CROWN VIC			
Sdn	5399	5453	5290
82 FORD CROWN VIC			
Sdn	3875	3914	3797
83 FORD THUNDERBIRD			
Cpe	4970	5020	4871
82 FORD THUNDERBIRD			
Cpe	3725	3762	3650
83 LINCOLN CONTINENTAL			
Sdn	9649	9746	9456
Mark VI Cpe	9779	9877	9584
82 LINCOLN CONTINENTAL			
Sdn	7616	7692	7463
Mark VI Cpe	7808	7886	7651
83 MERCURY COUGAR			
Cpe	5057	5107	4956
82 MERCURY COUGAR			
GS Cpe	2640	2667	2587
83 MERCURY LYNX			
HtchBk 2-Dr	2562	2587	2511
83 MERCURY MARQUIS			
Sdn	3228	3260	3163
82 MERCURY MARQUIS			
Sdn	3584	3620	3513
Wgn-2S	3696	3733	3622
83 OLDS CIERA LS			
Cpe	4432	4477	4344
Sdn	4489	4534	4399
83 OLDS CUTLASS SUPREME			
Cpe	5040	5090	4940
Sdn	4899	4949	4802
82 OLDS CUTLASS SUPREME			
Sdn	4042	4083	3962
Cpe	4200	4242	4116
83 OLDS DELTA 88			
Sdn	4756	4803	4660
82 OLDS DELTA 88			
Sdn	4869	4917	4771
83 OLDS DELTA 98			
Sdn	6560	6626	6429
82 OLDS DELTA 98			
Sdn	5196	5248	5092
83 OLDS OMEGA			
Sdn	3134	3166	3071
82 OLDS OMEGA			
Sdn	2556	2582	2505
83 OLDS FIRENZA			
Sdn	3536	3566	3459
82 OLDS FIRENZA			
Sdn	2857	2886	2800
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2577	2603	2525
83 PLYMOUTH RELIANT			
Cpe	2614	2640	2562
82 PLYMOUTH RELIANT			
Cpe	1957	1977	1918
83 PONTIAC FIREBIRD			
Cpe 8	5115	5166	5013
83 PONTIAC 6000			
Cpe	4102	4143	4020
Sdn	4156	4197	4073
82 PONTIAC 6000			
Cpe	3374	3407	3307
83 PONTIAC GRAND PRIX			
Cpe	4916	4965	4818
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4203	4242	4161
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3405	3439	3372
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	3077	3108	3046
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2293	2314	2269
83 DATSUN			
Sentra 2 Dr Std Sdn	2518	2543	2494
Stanza Hbk 4 Dr Dlx	3468	3502	3433
82 DATSUN			
210 Std 2 Dr	1816	1834	1799
Sentra 2 Dr	2056	2078	2038
Stanza Hbk 4 Dr Dlx	2798	2826	2769
83 TOYOTA			
Corolla Sedan 2 Dr	3188	3220	3157
Celica St	4564	4610	4520
Camry Sedan	5183	5236	5133
82 TOYOTA			
Corolla 2 Dr Sdn	2524	2550	2499
Celica St Cpe	3726	3763	3687

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Phoenix, AZ	106.9	76.9
Long Beach, CA	116.4	74.9
Sioux City, IA	99.0	79.0
Chicago, IL	112.8	83.9
Hutchinson, KS	94.4	71.4
St. Louis, MO	108.0	69.3
Las Vegas, NV	112.9	77.9
Niagara Falls, NY	96.4	75.9
York, PA	116.4	79.4
Charleston, SC	114.9	80.4
Houston, TX	109.0	64.5
Norfolk, VA	115.9	82.4
Everett, WA	107.9	77.9

Survey conducted during the first five working days of November 1986. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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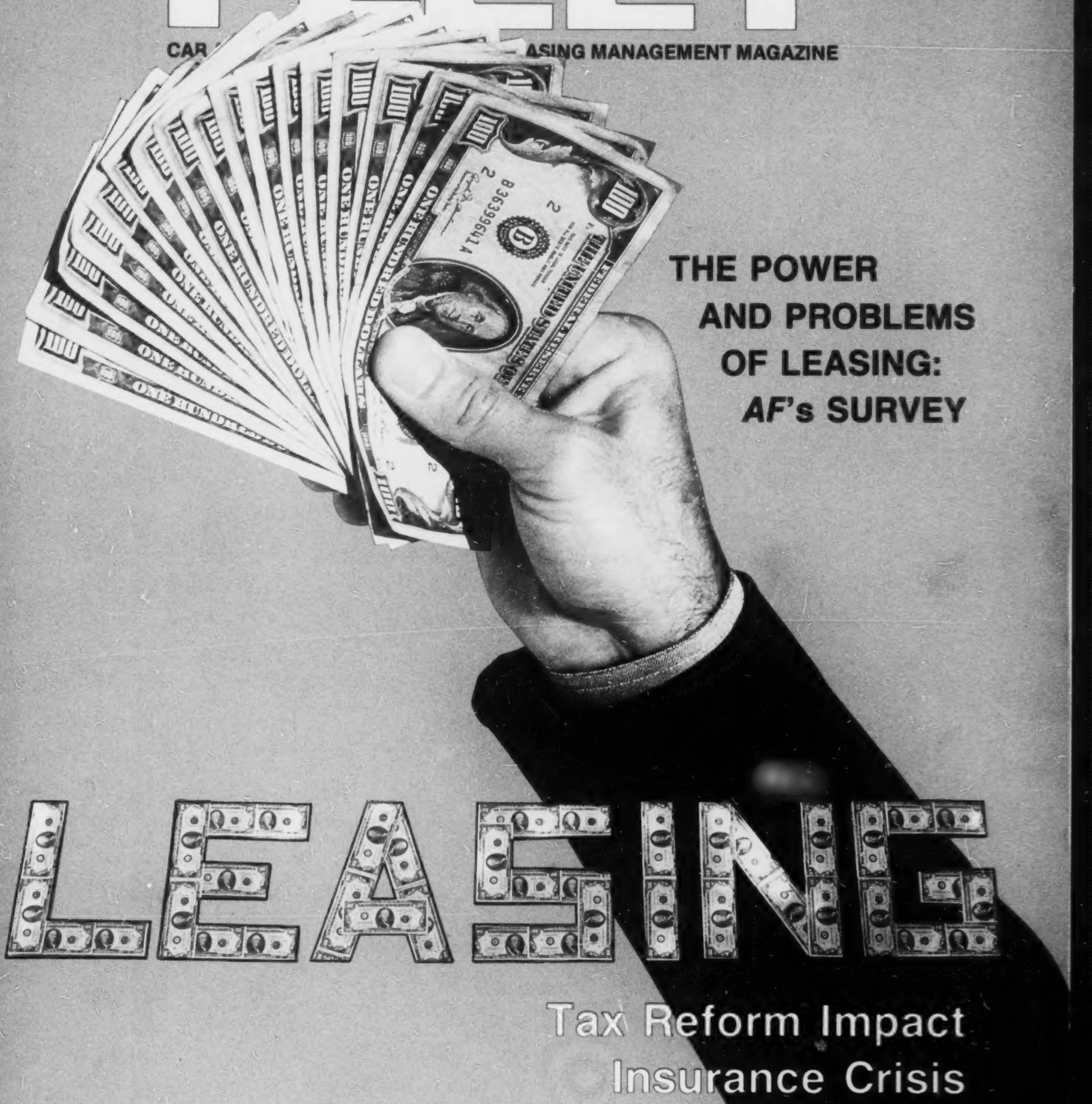
january 1987

automotive FLEET

CAR ASING MANAGEMENT MAGAZINE



THE POWER AND PROBLEMS OF LEASING: *AF*'s SURVEY

Tax Reform Impact
Insurance Crisis
Open- vs. Closed-End
Managing Vans

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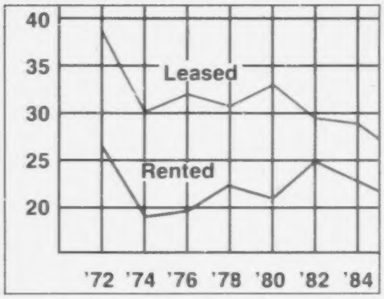
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JANUARY 1987
VOL. 26, NO. 3

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.



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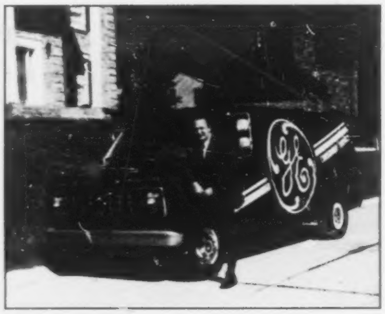

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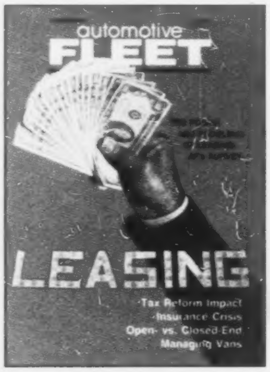

On the cover: The historic Tax Reform Act of 1986 means new problems as well as new profit potential for the vehicle leasing community. We look at both in a special "state-of-the-industry" report that begins on page 23.

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Every two years since 1966, AF *has assessed the lease/rental industry with a survey of trends from typical vehicle holding periods to average monthly revenues. The '86 results are now in, and they include more than a couple of surprises.*

Thirteenth Biennial Lease/Rental Survey

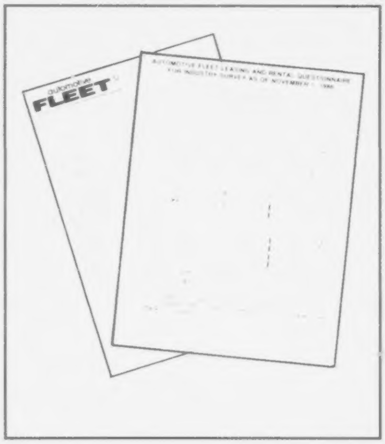
While lease/rental cars and trucks cost more today than they ever have, the monthly revenue they generate is better than $100 *less* than it was two years ago. The typical unit's age and average annual mileage, however, may be edging downward.

Those were a few of the key findings of the Thirteenth Biennial Lease/Rental Survey conducted by *Automotive Fleet* Magazine. *AF* took the pulse of the industry late last year by mailing detailed questionnaires to 4,000 U.S. leasing and rental firms. Three-hundred-fifty-six responses were received; of these 282 contained usable answers.

According to those usable responses, 32 percent of the lease/rental companies were affiliated with new-car dealers, while 68 percent were not. Dealer affiliates rose from 26.1 percent of respondents in the 1984 survey, topping 30 percent for the first time since 1980's 34.9. (The all-time high was 41.7 percent in '78.)

Most of our respondents (86 percent) lease cars, as opposed to 14 percent who rent them. Of those who lease, most are fleet-lessors (81 percent), compared to 19 percent in retail or individual leasing. (That's still considerably less than the high of 26 percent in consumer leasing in both '70 and '82.)

Of those who lease, open-end leases are most popular (59 percent), compared to 23 percent in net leasing and 18 percent in the full- or partial-maintenance option. Those figures show a one percent rise for finance leases since '84; closed-end dropped during the period by the same percentage.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AUTOMOTIVE FLEET LEASING AND RENTAL QUESTIONNAIRE
FOR INDUSTRY SURVEY AS OF NOVEMBER 1, 1986

Intermediate-sized cars continued to be most prevalent in the typical lease/rental fleet, even though intermediate share fell from 51 percent in '84 to 43 percent. Standard-size cars were up two percent to 25 percent of the fleet; luxury cars were down from nine percent in '84 to just eight percent. The real growth was among small cars: subcompacts went from seven to 12 percent, compacts, from 10 to 12.

Cars remained in the average leasing fleet for 32 months, down just a few days from 1984's 32.1, but still the second all-time highest figure. (Back in 1966, by comparison, it was 22.9.) Rental cars were held 17 months — again, down from 18.9 in '84, but likewise the second-highest ever. Leased trucks followed a similar pattern, being kept for 39 months in '86, compared to 40.2 in '84. (In 1972, the holding term was 42 months.) Rental trucks (like those in leasing, more than half under 10,000 GVW) were in the fleet for 27 months, down from 31.2 two years ago.

Yearly mileage for leased cars was also down slightly, to 20,063 (about average for the last 20 years). Car-rental mileage fell from 18,579 in '84 to 17,934 this year. Leased truck mileage dropped from 29,535 to 25,097 (an all-time low). Rental trucks, meanwhile, went from 24,195 to 20,264 annual miles.

Finally, according to the *AF* survey, the average price of lease/rental cars soared to a new all-time high of $12,380. (Twenty years ago, the average unit in the study cost $2,931!) At the same time, the money these cars generate for their operators each month fell from $646 in 1984 to $530. That's a few bucks more than the typical unit made four years ago.

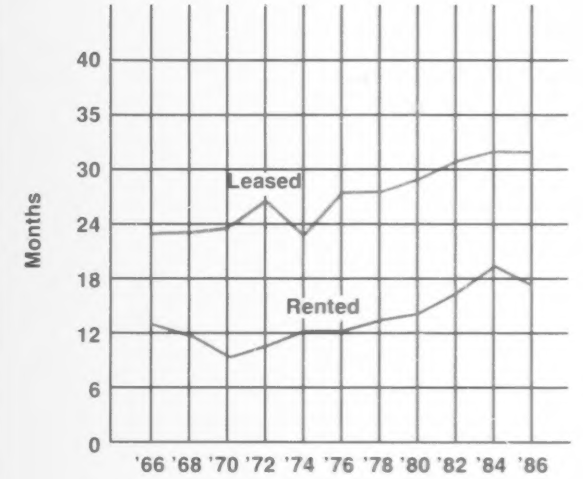
So, lease/rental cars still are being held for relatively long periods, though months in service and average annual mileage shows signs of moving downward. New-car costs are rising. Monthly revenues are not. No wonder the lease/rental operators had a lot to say in our questionnaire about the industry's "biggest problems." For a look at *what* they said (page 34), read on.

Comparison of 1986 Survey Results with Previous Polls

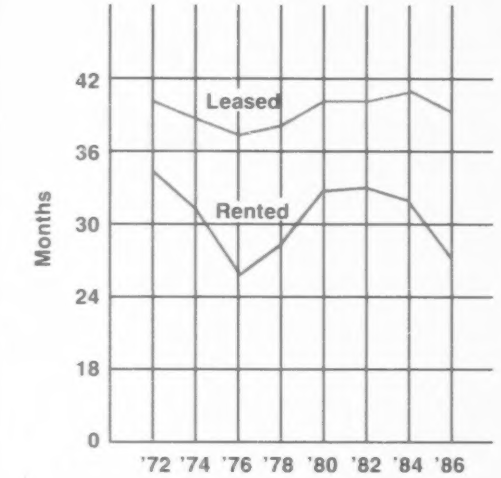
	1986	1984	1982	1980	1978	1976	1974	1972	1970	1968	1966
Survey Return Percentage	8.9%	12.9%	7.8%	14.9%	15%	15%	13%	11%	10%	10.5%	14.3%
Is Company A New Car Dealer Affiliate?											
Yes	32%	26.1%	29.1%	34.9%	41.7%	40.7%	38%	39%	39%	38%	45%
No	68%	73.9%	68.9%	65.1%	58.3%	59.3%	62%	61%	61%	62%	55%
Average Age of Vehicles at Replacement (Months)											
Leasing — Cars	32	32.1	30.7	28.5	26.9	25.9	24.3	25.2	23.7	23.3	22.9
Rental — Cars	17	18.9	16.8	14.5	13.1	13.0	12.6	11.5	10.7	12.1	12.8
Leasing — Trucks	39	40.2	39.3	39.3	37.6	37.5	38.2	41.5	42.5	41.1	n.a.
Rental — Trucks	27	31.2	32.2	32.1	28.5	26.3	31.4	35.1	40.5	38.3	n.a.
Average Yearly Mileage Operated per Vehicle											
Leasing — Cars	20,063	20,579	19,250	20,115	19,870	21,563	20,904	22,244	22,170	21,698	22,761
Rental — Cars	17,934	18,579	18,423	16,294	15,382	13,907	14,361	14,424	13,513	16,207	15,924
Leasing — Trucks	25,097	29,535	30,762	32,159	31,335	32,489	30,484	37,159	36,853	27,717	n.a.
Rental — Trucks	20,264	24,195	25,759	23,391	24,889	22,222	21,421	28,148	28,000	24,082	n.a.
Type of Car Used											
Subcompact	12%	7%	14%								
Compacts	12%	10%	23%	12%	13%	13%	16%	8%	5%	3%	8%
Intermediate	43%	51%	32%	42%	36%	44%	38%	16%	11%	9%	9%
Standard	25%	23%	20%	32%	29%	21%	33%	39%	36%	31%	21%
Luxury	8%	9%	11%	5%	10%	8%	8%	9%	10%	28%	11%
Percentage of Cars Leased	86%	80%	92%	85%	92%	91%	87%	96%	90%	93%	91%
To Fleets	81%	82%	74%	83%	80%	82%	79%	78%	74%	82%	83%
To Individuals	19%	18%	26%	17%	20%	18%	21%	22%	26%	18%	17%
Percentage of Cars Rented	14%	20%	8%	15%	8%	9%	8%	7%	7%	7%	4%
Finance or Management Leasing	59%	58%	69%	73%	82%	75%	72%	76%	62%	56%	62%
Fixed (Net) Leasing	23%	27%	15%	17%	13%	15%	15%	13%	12%	8%	8%
Full or Partial Maintenance	18%	15%	16%	10%	5%	10%	13%	11%	26%	36%	30%
Average Dollar Value	$12,380	$10,467	$9500	$7461	$6343	$5392	$5203	$3987	$3510	$3221	$2931
Average Revenue Per Mo. Per Car	$530	$646	$527	$417	$357	$306	$357	$268	$241	$224	$190
Total Trucks Leased	97%	87%	85%	96%	96%	97%	88%	85%	76%	n.a.	n.a.
Under 10,000	56%	68%	56%	57%	64%	77%	48%	n.a.	n.a.	n.a.	n.a.
(Under 19,500 GVW)	9%	18%	21%	17%	22%	12%	22%	68%	54%	n.a.	n.a.
(Over 19,500 GVW)	35%	14%	23%	26%	14%	11%	30%	32%	46%	n.a.	n.a.
Total Trucks Rented	3%	13%	15%	4%	4%	3%	12%	15%	24%	n.a.	n.a.
Under 10,000	70%	23%	21%	26%	59%	44%	23%	n.a.	n.a.	n.a.	n.a.
(Under 19,500 GVW)	25%	15%	19%	13%	10%	22%	29%	41%	49%	n.a.	n.a.
(Over 19,500 GVW)	5%	62%	60%	61%	31%	34%	48%	59%	51%	n.a.	n.a.

Note: The results of the 1986 Survey of the Leasing and Rental Industry are copyrighted material and, as such, may not be reproduced in any form without consent of the publisher. Reprints are available through our editorial offices: *Automotive Fleet*, 2500 Artesia Blvd, Redondo Beach, CA 90278, Phone (213) 376-8788.

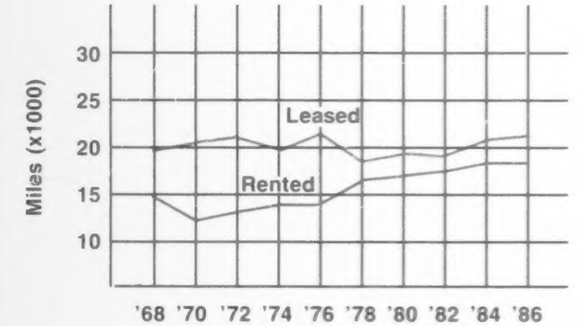
A Summary of Survey Results



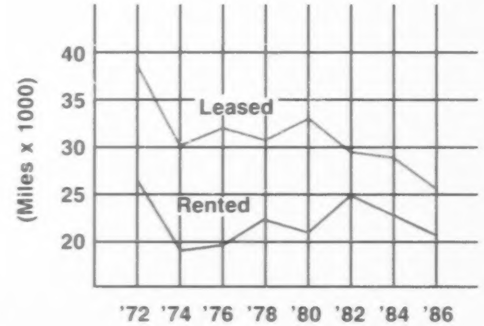
Age. (Mos.) At Turnover: Automobiles



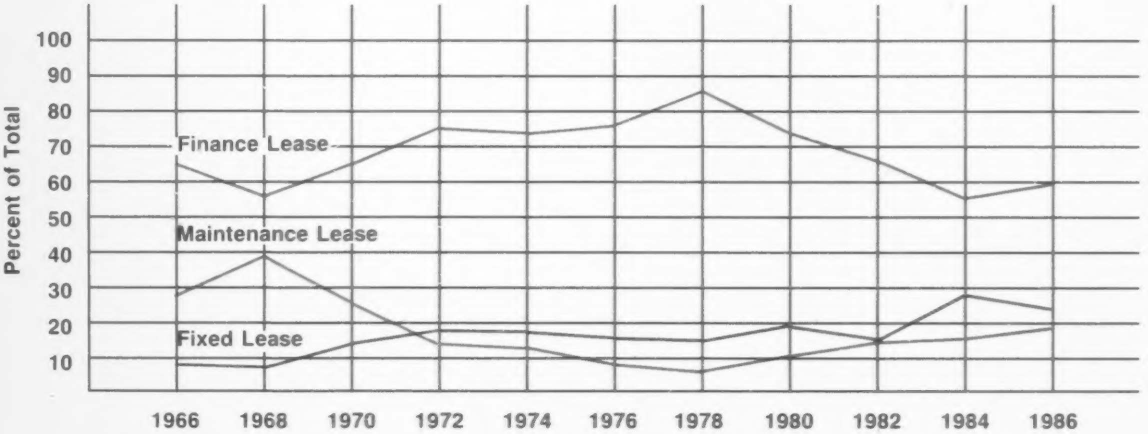
Age. (Mos.) At Turnover: Trucks



Avg. Annual Mileage: Automobiles



Avg. Annual Mileage: Trucks



Industry Leases By Type

When survey respondents were asked to name the major problems confronting the leasing and rental industries, the top five concerns were insurance, retail APR incentives, tax reform, the used-car market, and new-car prices.

Leasing and Rental Industry Problems

The overwhelming concern voiced by respondents to *Automotive Fleet's* 1986 Biennial Lease/Rental Survey was the high cost of liability insurance and its lack of availability. Among 282 survey respondents, 50.3 percent cited insurance as the Number One problem within the vehicle leasing and rental industry.

Insurance

"Liability insurance and interim coverage is way out of line," wrote one respondent. The insurance crisis is hitting daily rental companies particularly hard as illustrated in the following comment:

"Large rental companies that are self-insured are driving out the smaller dealer...Locally, several Budget Rent A Car offices have closed down due to the monopolies being formed by the larger rental companies. We have lost 20 percent of our business due to the increased insurance rates that have caused dealers not to be able to afford insurance to cover outside rental customers."

Insurance coupled with the escalating cost of new cars is increasingly placing car-rental operators in a vise-like grip. Small car-rental companies are being squeezed from both ends since they are "unable to raise rental rates because the majors do not raise their prices."

The uncertain availability of insurance coverage together with other uncontrollable factors has caused many lessors to lament about their inability to confidently plan future vehicle acquisitions.

"Our industry seems to be subject to many outside influences which are difficult to adjust to such as the insurance climate, interest rate fluctuation, gasoline availability..." Another respondent wrote: "Due to unpredictable conditions resulting from actions from manufacturers, we lack the ability to plan mid- to long-term."

Others cite the constantly changing legislative and tax environment as keeping both lessor and lessee in an "unsure status."

One lessor stated flatly, "Frequent tax law changes prohibit long-range planning."

Retail Financing Incentives

The second greatest industry concern is the prevalent and dramatic usage of factory-sponsored interest rate incentives to spur new-car sales.

"Low rate financing by the major automotive producers make independent leasing very difficult," says one lessor. The consensus among survey respondents is that these retail APR financing wars have depressed the used car market and adversely affected vehicle lessors and daily rental operators alike.

The survey respondents vented a litany of complaints about factory-sponsored retail financing incentives:

"Financial rates offered by manufacturers that exclude fleet and leasing companies basically put us out of the business for the period of time they are offered and upset our used-car market for four to six months thereafter."

"When major car manufacturers are offering rates at 2.9 percent when we have to pay prime — how can you make a profit?

"General Motors (followed by others) is disrupting the normal, or at least traditional automotive market by using unrealistic interest charges to solve their short range problem. Not only does this virtually kill used car sales, it creates almost unanswerable problems for my securing new leases. My only satisfaction is the belief that they too will pay for their irresponsibility in the next year or so."

Another respondent pointed out that not only are new-car financing incentives affecting lessors, but they are also adversely affecting retail customers.

"Special financing rates offered by auto manufacturers should be challenged as unfair competition because they are misleading the public by adding it back to the price."

Several survey respondents took

swipes at the accuracy of used-car residual guides since many used models are selling at depressed values.

"Leasing's major problem is unrealistically aggressive residual values listed in all residual guides."

"There needs to be accuracy in residual projections because of its effect on payments, mileage and its direct effect on residual at end of term."

Tax Reform

The third greatest concern was about the impact of the Tax Reform Act of 1986 which was signed into law by President Reagan on Oct. 22, 1986. The new federal tax code affects the automobile industry by lengthening vehicle depreciation rates, repealing the Investment Tax Credit, and creating the corporate annual minimum tax. Observes one respondent: "The new law on taxes is going to increase new vehicle leases."

Regarding depreciation one vehicle lessor says: "Depreciation is not at a fast enough rate to equal usage."

Another vehicle lessor grouses that the biggest industry problem is: "The growing popularity of going away from providing 'company cars' where there is still a business application. The new tax law and two-year-old IRS regulations have allowed financial people within corporations (who in most cases do not know the advantages of providing a car, and who do not know much about the fleet business in general) to 'get rid of the liability' or a growing misconception of what helps or hurts the bottom line where fleet is concerned."

Another lessor seconds this observation by writing:

"Tax regulations regarding personal use mileage of company autos have caused many fleet lessees to stop providing company-owned vehicles. This has caused a decline in fleet lessees but has caused an increase in individual lessees."

Used-Car Market

The depressed used-car market and the resulting low resale value for lease vehicles was cited as the fourth most important industry concern. As illustrated in the following comments the unstable used-car market is a prime concern within the industry.

"The used vehicle is dropping in value faster in 1986 than ever before and is becoming more costly. Holding costs are increasing dramatically while rental rates are holding steady."

Another lessor complains: "There is insufficient compensation to cover reduced value of one- and two-year-old vehicles at disposal. The low-interest programs on manufacturer closeout are wiping out used-car values."

New-Car Prices

The fifth greatest industry concern is the escalating prices for new-model vehicles. One vehicle lessor said his Number One concern was: "Fighting the never ending battle of new vehicle price increases." Another lessor comments: "Manufacturers continue to increase the cost of new vehicles in excess of living increases. The problem is compounded when manufacturers offer deep discounts or below-market interest rates to the general public. These actions make leasing less competitive and affect the return on disposition of used lease-vehicles creating unpredictable operations."

Other Industry Concerns

Leasing competition is increasingly coming from banks. Since deregulation, financial institutions continue to be a concern to many vehicle lessors.

Here's a sampling: "Get banks back to banking. Leasing belongs to the auto industry. They just mess up the market and do not give the attention or service that lessees deserve."

Echoing this sentiment, another lessor says:

"The major problem is the manufacturing and lending institutions are getting stronger in direct leasing programs. Actually the dealer is being encouraged to become a broker rather than a full-service lease company."

Not long ago when the economy turned sour, banks backed away from auto financing and leasing. This fickle commitment to vehicle leasing caused one lessor to write:

"Financial institutions in the market today will exit tomorrow because they believe the values of used vehicles are determined solely by a mathematical calculation."

Another trend that is having an adverse effect on small fleet buyers is the high cost of financing. "The price of financing on new cars for individual buyers and the high price of financing for small fleet buyers."

Another lessor also complained about the high interest rates extended by banks.

"Banks have now formed their own control of availability of money to increase their leasing base by asking independent leasing companies for outrageous rates to borrow money for their leasing business." Another lessor writes: "Banks enter leasing with unreasonable residuals and dealers exploit those residuals and terms by offering 99-month payments to consumers and not thinking of satisfying the consumer's needs for leasing."

Conclusion

According to some survey respondents the future does not bode well for the small vehicle lessor.

"The survival of the small independent lease company is the biggest problem today. Competition from the financial and manufacturing industries hurts the smaller independent the most because they are forced to buy directly from their competition. Without the buying power that the manufacturer and financial industry can bring to bear, the smaller independent lease company will have a hard time hanging on."

Disastrous pricing practices and excessive jury awards have combined to send liability insurance rates right through the roof. Even so, our industry can do several things to deal effectively with its Number One problem.

Coping With the Insurance Crisis

This magazine's Thirteenth Biennial Lease/Rental Survey (page 28) shows that insurance is still the industry's Number One problem. Why did the insurance companies' capacity to write business shrink so dramatically in recent years? Precisely how has that affected our industry? What can be done about rising rates? In the following article, adapted from a seminar presented recently by the American Automotive Leasing Association, experts provide some timely answers.

Andrew Grossman: The cause of the liability insurance crisis we face today may never be identified with certainty. Some say it's a conspiracy of the large insurance companies to control supplies and reap obscene profits during a Republican administration that is very *laissez faire*. Republicans says it merely reflects a fundamental block in the legal system, with jury awards going totally out of sight. There are many issues related to the problem. Do we need fundamental reform of our legal system? Would government regulation of the insurance industry be the answer? Whatever the broader solution, changes in our individual businesses will be required to truly control the crisis at our level.

Participants on this panel will identify some of the key elements of this important issue. They include: Sal Scuderi, president of Group Management and Merchandising International, Inc., of New York; Harriet Loftus, assistant vice president-insurance for CFR Leasing Corp. of New Castle, DE; and Doug Brown, vice president of Enterprise Leasing, St. Louis, MO.

Seminar participants include (from left), Scuderi; Lee Carter of Alexander & Alexander in Dallas, TX; Loftus; Brown, and Grossman. Carter's firm currently is surveying AALA members about the feasibility of a competitive, reasonably priced group insurance program.

Sal Scuderi: I realize that most of you will probably find this hard to believe, but at one time insurance pricing was very predictable both for the insurance buyer and the insurance company. If everything had gone according to schedule, 1984 would have been a banner year for property/casualty companies. However, something went wrong.

Over the past quarter century, the basis for insurance pricing has been on a six-year cycle, with highs and lows occurring approximately every three years. Typically, the cycle ran as follows: Insurance companies enjoying high profits (which came about through high rates) would be in a position that would attract outside competitors into the property/casualty market. The outside competitors, in turn, would create a price war that would drive down rates. Increased losses would follow, competitors would move out, rates would go back up, and profits would increase. This was the industry's basic cycle, and it would last approximately six years: three years on the high cycle, three years on the low.

The problems we have today began with the 1978 cycle. In 1978, the combined loss ratio of property/casualty companies was 97.4 percent. (Loss ratios reveal losses on claims as a percent of premiums written. A ratio of 100 indicates no loss and no gain, therefore, zero profitability. A ratio below 100 indicates a positive cash flow. A ratio above 100 indicates that claim payouts are greater than premiums taken in, thus, a net loss.)

Operating profits in 1978, then, were at $8.5 billion, and things were looking good for the insurance companies. The cycle then began to go the other way. New competitors came into the market and the rates were driven down. In 1981, the scene was set for a change in the cycle.

Here's what happened in 1981: Industry statistics for the year-end show a combined loss ratio of 106 percent. This was in accordance with the way things had happened in the past. However, the prime interest rate soared that year to 18 percent. Instead of responding to the 106 percent loss ratio and beginning to increase their rates, the companies jumped on the very high prime and touched off a prolonged price war. Rate-cutting became fierce; the market was filled with excess capacity, and, as a result, the downward cycle lasted another three years. By year-end '84, with the prime rate at 12 percent, the combined loss ratio for the industry was 117.9 percent, and operating *losses* were $3.8 billion.

For only the second time in insurance company history, investment income would not offset the underwriting losses. What followed was a complete disaster. Forty insurance companies became insolvent, 90 reinsurers pulled out of the U.S. market, and A.M. Best Co. reduced its rating on some 55 companies.

Year	Prime rate	Combined ratio	Operating results (billions)
1978	9.06	97.44	$8.59
1979	12.67	100.60	7.98
1980	15.27	103.13	7.73
1981	18.87	106.01	6.96
1982	14.86	109.67	4.62
1983	10.79	111.99	2.65
1984	12.04	117.96	−3.82
1985	9.93	116.39	−5.40

Source: Insurance Information Institute

Additionally, things were getting completely out of hand with a civil justice system marked by too many lawsuits, excessive awards, and radical reinterpretations of policy conditions. Combine the disastrous underwriter results with the present judicial system, and the end result was that few insurance companies or reinsurers were willing to write commercial property/casualty business. In essence, capacity — or the insurance company's ability to write business — has shriveled. Insurance companies will only commit their capacity to profitable accounts, demanding high rates.

The insurance market for leasing companies today is similar to what it was in the past — except that it costs you more money. There are insurance companies willing to underwrite your coverage. However, if you are looking for low primary insurance rates for your lessees (which would allow you in turn to increase your profit margins), be aware that those days are gone for a long, long time. Primary insurance coverage is available either to you or your lessee; contingent and excess coverage is also available. You can buy or have your lessee buy the coverage, but it now will cost you more money.

Harriet Loftus: The purpose of insurance, of course, is to fund potential losses which could threaten the continued existence of our businesses. It is a financing technique, albeit one that has been reaching deeper and deeper into our pockets of late, affecting our daily business.

Some relief — including tort reform — is on the way. However, tort reform will take years to effect meaningful improvements in rate reduction and stabilization. In addition, there is not much consistency among the reforms that various states have enacted. While statutory rate rollbacks are currently being contested (in Florida, for instance), I believe rates will remain near their current levels for the foreseeable future.

With insurers pulling away from certain lines of business — such as automobile leasing — our choices are restricted in terms of both availability and affordability. Because of the tight overall market, there are certain exposures we contractually transfer which are coming right back to us. Some examples: Lessees who previously supplied their own insurance are being cancelled mid-term or nonrenewed; some are going without coverage for a period of time while scrambling to secure proper coverage, thus leaving contingent exposure wide-open for us lessors.

I don't feel we have all the answers, but there are some alternatives to look at. It's up to all of us to see that these alternatives are examined in a complete and positive manner. What are some of the ways, then, to deal with this crisis?

The most important way is through some sort of risk management program. It doesn't have to be sophisticated, for even a simple one can bring positive results. Consider cost-control techniques; look into taking a large deductible or one that your company can feasibly handle. Any liability retention you could absorb would certainly reduce your premium. There are insurers who are willing to write coverage for leasing companies and who are willing to take a retention of some level. Also, tighten up on loss prevention and reduction procedures, both for your executives and your lessees. Education is an effective tool, not only in-house education, but also through newsletters to your lessees on a monthly, annual, or even semi-annual basis. Your lessees who do not have any risk management program may find such information extremely helpful as well.

Closely scrutinize your loss information from your carrier. When you receive your loss experience, look it over closely. Make sure those claims listed on your loss experience really do belong to you, and not to some other client with the same insurer. You should receive loss information from your insurer on a regular basis every six months. Communicate with your insurer when potential high dollar claims are submitted. Communication can have an impact on reducing their claim dollars — it's these claim dollars which affect your next year's rates. Get your broker more involved. Their resources are many and varied in the field of loss control.

Another alternative lies within the leasing industry itself. That is the possibility of forming through AALA an association comprised of AALA members to purchase insurance "in bulk." This is being considered, and soon we will all be receiving a survey sheet from AALA on this. Your input will enable AALA to determine our needs and then pursue the possibility of an association. It is possible to gain a marketing edge, have better underwriting control, and obtain the much-needed coverages we lessors all require. Through an association, we could provide insurance to our lessees on a competitive basis — and, importantly, make money on it.

Doug Brown: There's some good news today: the good news is that we're here, and a lot of folks who've faced this crisis aren't.

At Enterprise, we've just completed our most difficult renewal ever. Over a period of years, we were able to bring all of our different coverages together on our annual renewal date of Sept. 1. After bringing all liability/casualty exposures together at that common date, we decided we needed to go back to each of our carriers and brokerage houses and ask for careful loss-run information for the past five

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years. We'd paid some attention to this information over time, but we'd never really studied it carefully. But in 1986, in this environment, we determined to study each and every loss. We took the five years of losses and put it into book-type form so that each of our brokers and carriers could see the entirety of our five-year experience. Then we asked each of them to project for us our losses for the coming year. We also hired an outside consultant to do a loss projection. That way, when we went into the '86 negotiation, we were able to understand what we believed our losses would be for the next 12 months.

We then decided that the time had come to forget friendships and long-term loyalties in our relationships with carriers and brokers — if, in fact, they could not provide reasonable coverage at reasonable prices. That wasn't an easy decision for us, because Fireman's Fund, for instance, had been a supplier to us for 28 years for general liability and auto liability; Travelers had 17 years handling most of our rent-a-car and lease liability coverage. Therefore, we knew that choosing what would ultimately be a single carrier would be tough.

Then we announced to our brokers and carriers that upon renewal, unless the differential was very small, we in fact would put all of our liability coverage with a single broker, with a single carrier, and hopefully give them some reliability. The major thing the insurance companies are looking for is reliability in claims; and unfortunately, the more losses you have, the more reliable your information is going to be.

We also told them some things were very important to us. (And these are things you might want to consider, too.) We said we were willing to take a very high deductible. Maybe you can't take a very high deductible, but deductibles on liability *are* available with the right structure. By doing this, we felt we were putting our money where our mouth was. The second thing we did was promise that one carrier would get all this exposure and one broker would likely win this account.

The big thing we wanted to do was understand the carrier of choice; understand where they'd been on our kind of risks over time, and where they'd be in the future. To accomplish that, we said we would accept no quotations from a carrier with whom we could not meet in their shop, and have them come to our place of business. We felt they had to understand our needs, too, and give us some good input.

Soon, we had seven very interested carriers. Forty days before the renewal we had three who, in this environment, were slugging it out for our business. We feel that is because they understood that we had a handle on our losses; that we understood the problems we'd had in the past and how we would address them in the future; and that we had taken the significant position in those losses with our deductible portion.

We gained a very satisfactory result. We're now thrilled to death with our carrier and broker of choice. While we don't think it's the end-all, we understand our situation a lot better than we did a year or two ago, when we thought we knew a lot.

Here are some additional thoughts on this whole question of insurance in 1987:

In today's difficult market, we must pay more attention to safety measures and the related risks that push up our claims and premiums. No matter how recently you've taken steps to reduce risk, do it again!

You must start with the assumption that all accidents are preventable. Instead of chalking up accidents to employee error, analyze, dig deeply, understand the underlying cause.

For example, if you carefully check the last 10 auto accidents reported by your employees, you'll probably find several whose driving records are such that they're either paying extra premium on their private cars, or they would be very difficult to insure if they were in the insurance market for a personal car. Drivers who don't meet a reasonable test for driving safety should not be allowed to drive company cars. Seat belts should be mandatory. Use of radar detectors and other such devices should subject the employee to termination when used in company vehicles.

You should also judge your company based on both insurance cost as a percentage of sales, and insurance cost per employee. Compare these statistics with anything available on other leasing firms, through trade associations, or through informal conversation with other similar companies.

When you learn the results, you should be 50 percent of the average because average represents both well managed and poorly managed safety programs. For you to assume anything less than well managed is a mistake.

If you have moved to large deductibles, or if you're uninsured for certain portions of your claims, you must have expert review of the investigation, negotiation, and settlement of those claims. Even when your carrier covers the losses, it's important to review their claims management. After all, future years' premium is based in large part on this year's losses.

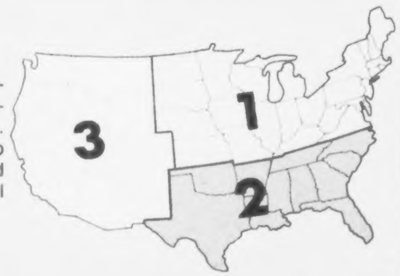
Never wait for your broker to approach you about renewal, unless of course he's doing so three or four months before your policy date. You need this much time to press for quotes since carriers are so busy today.

Consider making renewal dates sometime in March/April or September/October. Consider other alternatives such as professional associations, industry pools, or no coverage at all for things that in reality don't concern you and can't break your company financially. Also, don't overlook the possibility of cutting out the broker if necessary. There are insurance companies that are direct writers (such as Liberty Mutual) and some other mutual companies.

Finally, consider negotiating a flat fee with your broker as opposed to a percentage commission, which has been the industry standard. Not only does a flat fee eliminate the peaks and valleys for your broker, but over time will probably cost you less and allow you to measure the true cost of insurance on a net basis. AF

USED CARS

The following are average car prices ending December 10, 1986. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2345	2369	2297
83 AMC CONCORD			
Sdn	2573	2598	2521
Sta Wgn	2862	2850	2804
83 BUICK SKYLARK			
Sdn Custom	3041	3072	2980
82 BUICK SKYLARK			
Sdn	2493	2518	2442
83 BUICK REGAL			
Sdn	4562	4608	4472
Cpe	4691	4739	4598
82 BUICK REGAL			
Turbo Cpe	4038	4079	3958
Cpe	3910	3950	3831
83 BUICK CENTURY			
Sdn Custom	4429	4474	4340
82 BUICK CENTURY			
Sdn Custom	3630	3668	3558
83 CADILLAC			
Cpe DeVille	7334	7407	7188
Sdn DeVille	7292	7365	7146
82 CADILLAC			
Cpe DeVille	5819	5878	5704
Sdn DeVille	5779	5836	5662
83 CHEVY			
Chvt Htchbk 4 Dr	2098	2119	2056
Camaro Cpe 8	4976	5025	4876
82 CHEVY			
Chvt Htchbk 4 Dr	1640	1656	1607
Camaro Cpe 8	4258	4302	4174
83 CHEVY CELEBRITY			
Sdn	3863	3903	3786
82 CHEVY CELEBRITY			
Sdn	3110	3140	3048
83 CHEVY CAVALIER			
Sdn	3107	3138	3044
82 CHEVY CAVALIER			
Sdn	2086	2107	2044
83 CHEVY CITATION			
Cpe 6	2329	2353	2283
82 CHEVY CITATION			
Cpe 6	1777	1796	1741
83 CHEVY MALIBU			
Clas Sdn	3563	3598	3491
Clas Sta Wgn	3711	3748	3637
82 CHEVY MALIBU			
Clas Sdn	2936	2965	2877
Clas Sta Wgn	3065	3096	3005
83 CHEVY MONTE CARLO			
Cpe	4647	4694	4554
82 CHEVY MONTE CARLO			
Cpe	3745	3783	3671
83 CHEVY IMPALA			
Sdn	4140	4181	4057
82 CHEVY IMPALA			
Sdn	3168	3199	3104
Wgn 9	3292	3325	3226
83 CHEVY CAPRICE			
Sdn	4707	4754	4612
Sta Wgn	4870	4919	4773
83 CHRYSLER			
E-Class Sdn	3888	3926	3810
82 CHRYSLER			
New Yorker Sdn	4616	4663	4524
83 DODGE OMNI			
4 Dr Cust	2558	2585	2507
82 DODGE OMNI			
4 Dr Cust	2006	2025	1965
83 DODGE ARIES			
Cpe	2528	2554	2478
82 DODGE ARIES			
Sdn	1914	1933	1876
83 DODGE DIPLOMAT			
Sln Sdn	3106	3137	3044
82 DODGE DIPLOMAT			
Sln Sdn	2479	2504	2429
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2697	2725	2643
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2102	2122	2060
83 FORD MUSTANG			
L-Cpe 4	3600	3636	3527
82 FORD MUSTANG			
L-Cpe 4	2806	2834	2749
83 FORD LTD			
Sdn	3110	3141	3048
82 FORD LTD			
Sdn	3206	3238	3142
83 FORD ESCORT			
Htchbk 4 Dr	2491	2517	2441
83 FORD CROWN VIC			
Sdn	5308	5360	5200
82 FORD CROWN VIC			
Sdn	3798	3836	3721
83 FORD THUNDERBIRD			
Cpe	4871	4920	4774
82 FORD THUNDERBIRD			
Cpe	3632	3669	3559
83 LINCOLN CONTINENTAL			
Sdn	9409	9504	9221
Mark VI Cpe	9536	9632	9346
82 LINCOLN CONTINENTAL			
Sdn	7427	7501	7277
Mark VI Cpe	7614	7690	7461
83 MERCURY COUGAR			
Cpe	4956	5005	4858
82 MERCURY COUGAR			
GS Cpe	2575	2600	2523
83 MERCURY LYNX			
HtchBk 2-Dr	2461	2484	2412
83 MERCURY MARQUIS			
Sdn	3148	3179	3084
82 MERCURY MARQUIS			
Sdn	3513	3548	3443
Wgn-2S	3622	3659	3550
83 OLDS CIERA LS			
Cpe	4366	4410	4279
Sdn	4422	4467	4333
83 OLDS CUTLASS SUPREME			
Cpe	4965	5014	4867
Sdn	4826	4875	4730
82 OLDS CUTLASS SUPREME			
Sdn	3962	4002	3883
Cpe	4016	4158	4034
83 OLDS DELTA 88			
Sdn	4661	4707	4567
82 OLDS DELTA 88			
Sdn	3885	3923	3808
83 OLDS DELTA 98			
Sdn	6429	6494	6301
82 OLDS DELTA 98			
Sdn	5093	5144	4991
83 OLDS OMEGA			
Sdn	3041	3072	2980
82 OLDS OMEGA			
Sdn	2493	2518	2442
83 OLDS FIRENZA			
Sdn	3460	3495	3390
82 OLDS FIRENZA			
Sdn	2772	2800	2717
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2500	2525	2449
83 PLYMOUTH RELIANT			
Cpe	2536	2561	2486
82 PLYMOUTH RELIANT			
Cpe	1899	1918	1861
83 PONTIAC FIREBIRD			
Cpe 8	5003	5053	4903
83 PONTIAC 6000			
Cpe	4020	4061	3940
Sdn	4073	4113	3992
82 PONTIAC 6000			
Cpe	3307	3339	3241
83 PONTIAC GRAND PRIX			
Cpe	4794	4842	4699
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4057	4098	3976
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3253	3286	2188
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	2970	3000	2911
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2191	2213	2147
83 DATSUN			
Sentra 2 Dr Std Sdn	2333	2356	2286
Stanza Hbk 4 Dr Dlx	3297	3330	3231
82 DATSUN			
210 Std 2 Dr	1673	1690	1640
Sentra 2 Dr	1895	1914	1857
Stanza Hbk 4 Dr Dlx	2579	2605	2527
83 TOYOTA			
Corolla Sedan 2 Dr	3093	3124	3031
Celica St	4428	4472	4339
Camry Sedan	5028	5078	4927
82 TOYOTA			
Corolla 2 Dr Sdn	2363	2387	2316
Celica St Cpe	3488	3523	3418

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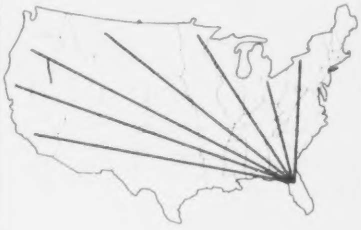

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Alhambra, CA	111.9	74.9
Denver, CO	120.7	85.7
Jacksonville, FL	114.9	81.2
Macon, GA	111.4	72.9
Worcester, MA	89.4	70.9
Flint, MI	105.6	79.4
Flat River, MO	97.9	67.4
Jamestown, ND	127.9	89.9
Reno, NV	126.4	105.4
Brooklyn, NY	91.2	76.9
Uniontown, PA	100.5	72.9
Memphis, TN	108.9	77.7
San Antonio, TX	94.9	66.4
Milwaukee, WI	106.1	80.7

Survey conducted during the first five working days of December 1986. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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FEBRUARY 1987
VOL. 26, NO. 4

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utility, government, police and taxi fleets.

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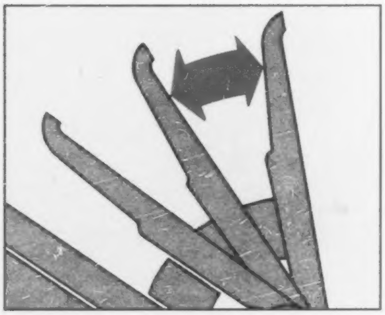
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On the cover: Flanking Chevrolet's new Corsica (Beretta's at rear) are Bob Starr, Chevy general sales and service manager (left), and George Frink, the division's director, fleet sales. Story on page 38.

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Using the right vehicle for just the right length of time.

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Comparing the new vehicles in terms of fuel economy.

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For Common Fleet Vehicles

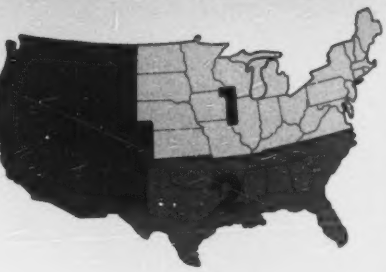
'87 EPA MPG Ratings

MPG CTY	MPG HWY	MAKE	TRANS-MISSION	CID/ # of CYL
SUBCOMPACTS				
31	33	Chev Spectrum	A3	90/4
29	33	Dodge Colt	L3	90/4
25	30	Chev Chevette CS	L3	98/4
25	30	Pontiac 100	L3	98/4
24	26	Dodge Colt	L3	98/4
23	27	Plymouth Turismo	A3	135/4
22	27	Dodge Daytona	L3	152/4
18	27	Ford Mustang	L4	302/8
17	25	Chevy Camaro	L4	305/8
16	25	Chevy Camaro	L4	350/8
COMPACT CARS				
28	32	Chevy Nova	L3	97/4
27	31	Renault Alliance	A3	85/4
26	30	Nissan Sentra	L3	96/4
25	31	Toyota Camry	L4	122/4
25	31	Oldsmobile Firenza	L3	122/4
25	30	Ford Laser	A3	98/4
25	31	Buick Skyhawk	L3	122/4
25	31	Pontiac Sunbird	L3	122/4
24	29	Renault Alliance	A3	105/4
24	31	Chevy Cavalier	L3	121/4
24	31	Oldsmobile Firenza	L3	121/4
23	30	Cadillac Cimarron	L3	121/4
23	27	Dodge Shadow	A3	135/4
23	28	Plymouth Sundance	A3	135/4
22	32	Oldsmobile Calais	L3	151/4
22	32	Pontiac Grand AM	L3	151/4
22	32	Buick Somerset/Skylark	L3	151/4
22	27	Ford Tempo	A3	140/4
22	27	Lincoln-Mercury Topaz	A3	140/4
21	27	Buick Skyhawk	L3	121/4
21	27	Pontiac Sunbird	L3	121/4
20	26	Cadillac Cimarron	L3	173/6
20	27	Pontiac Grand AM	L3	121/4
19	27	Oldsmobile Calais	L3	181/6
19	23	Dodge Shadow	A3	135/4
18	27	Lincoln-Mercury Cougar	L4	302/8
18	23	Ford Thunderbird	L4	302/8
MID-SIZE CARS				
23	28	Dodge Aries	A3	135/4
23	26	Plymouth Caravelle	A3	135/4
23	26	Dodge Lancer	A3	135/4
23	26	Chrysler LeBaron	A3	135/4
23	26	Chrysler LeBaron GTS	A3	135/4
23	28	Plymouth Reliant	A3	135/4
23	26	Dodge 600	A3	135/4
22	27	Dodge Aries	L3	152/4
22	27	Plymouth Caravelle	L3	152/4
22	32	Chevy Celebrity	L3	151/4
22	32	Buick Century	L3	151/4
22	32	Oldsmobile Cutlass Ciera	L3	151/4
22	27	Dodge Lancer	L3	152/4
22	27	Chrysler LeBaron	L3	152/4
22	27	Chrysler LeBaron GTS	L3	152/4
22	27	Chrysler New Yorker	L3	152/4
22	27	Plymouth Reliant	L3	152/4
22	27	Dodge 600	L3	152/4
22	32	Pontiac 6000	L3	151/4
20	26	Chevy Celebrity	L3	173/6
20	28	Chevy Celebrity	L3	173/6
20	26	Buick Century	L3	173/6
20	26	Buick Century	L4	173/6
20	26	Oldsmobile Cutlass Ciera	L3	173/6
20	28	Oldsmobile Cutlass Ciera	L4	173/6
20	26	Pontiac 6000	L3	173/6
19	24	Plymouth Caravelle	A3	135/4
19	24	Oldsmobile Cutlass Supreme	L3	231/6
19	24	Pontiac Grand Prix	L3	231/6
19	24	Pontiac Gran Prix	L3	262/6
19	26	Pontiac Grand Prix	L4	262/6
19	24	Dodge Lancer	L3	135/4
19	24	Chrysler LeBaron	A3	135/4
19	24	Chrysler LeBaron GTS	A3	135/4
19	24	Chevy Monte Carlo	L3	262/6
19	26	Chevy Monte Carlo	L4	262/6
19	24	Chrysler New Yorker	A3	135/4
19	24	Buick Regal	L3	231/6
19	24	Dodge 600	A3	135/4
19	27	Pontiac 6000	L4	173/6
18	25	Oldsmobile Cutlass Supreme	L4	307/8
18	25	Buick Regal	L4	307/8
17	27	Lincoln-Mercury Continental	L4	302/8
17	23	Oldsmobile Cutlass Supreme	L3	307/8
17	25	Cadillac Eldorado	L4	249/8
17	24	Pontiac Grand Prix	L4	305/8
17	27	Lincoln-Mercury Mark VII	L4	302/8
17	24	Chevy Monte Carlo	L4	305/8
17	23	Buick Regal	L3	307/8
17	25	Buick Regal	L4	231/6
17	25	Cadillac Seville	L4	249/8
16	21	Dodge Diplomat	L3	318/8
16	21	Plymouth Gran Fury	L3	318/8
16	21	Chrysler Newport/Fifth Avenue	L3	318/8
LARGE CARS				
18	25	Cadillac Brougham	L4	307/8
18	23	Chevy Caprice	L3	262/6
18	25	Chevy Caprice	L4	307/8
18	27	Chevy Caprice	L4	262/6
17	25	Cadillac Fleetwood/Deville	L4	302/8
17	24	Cadillac Limousine	L4	249/8
17	27	Ford LTD Crown Victoria	L4	302/8
17	27	Lincoln-Mercury Town Car	L4	305/8
16	24	Chevy Caprice	L4	305/8
SMALL STATION WAGONS				
25	31	Oldsmobile Firenza Cruiser	L3	122/4
25	31	Pontiac Sunbird Wgn	L3	122/4
24	31	Chevy Cavalier Wgn	L3	121/4
24	31	Oldsmobile Firenza Cruiser	L3	121/4
24	31	Buick Skyhawk Wgn	L3	121/4
23	24	Dodge Colt Vista	L3	122/4
MID-SIZE STATION WAGONS				
23	26	Dodge Aries Wgn	A3	135/4
23	26	Plymouth Reliant Wgn	A3	135/4
22	27	Dodge Aries Wgn	L3	152/4
22	32	Chevy Celebrity Wgn	L3	151/4
22	27	Plymouth Reliant Wgn	L3	152/4
22	27	Chvy Twn & Ctry Wgn	L3	152/4
21	28	Buick Centry Wgn	L3	151/4
21	28	Olds Cutlass Cruiser	L3	151/4
21	28	Pontiac 6000 Wgn	L3	151/4
19	27	Chevy Celebrity Wgn	L4	173/6
19	24	Chry Twn & Ctry Wgn	A3	135/4
19	27	Pontiac 6000 Wgn	L4	173/6
LARGE STATION WAGONS				
17	27	Linc-Merc Grand Marquis Wgn	L4	302/8
17	27	Ford LTD Crown Victoria Wgn	L4	302/8
16	24	Chevy Caprice Wgn	L4	307/8
16	24	Buick LeSabre/Electra Wgn	L4	307/8
16	24	Pontiac Safari Wgn	L4	307/8
SMALL PICK-UP TRUCKS				
21	27	Chevy S10 Pick-up 2WD	L4	151/4
21	27	GMC S15 Pick-up 2WD	L4	151/4
18	24	Ford Ranger Pick-up 2WD	L4	179/6
18	22	Ford Ranger Pick-up 2WD	M5	179/6
17	19	Chevy S10 Pick-up 2WD	L3	173/6
17	24	Chevy S10 Pick-up 2WD	L4	173/6
PASSENGER VANS				
21	26	Ford Aerostar Van	L4	140/4
17	22	Chev Astro 2WD	L4	262/6
17	22	GMC Safari 2WD	L4	262/6
15	17	Dodge B150/B250 2WD	L3	225/6
15	18	Chev G10/20 Sportvan 2WD	L4	262/6
13	17	Chev G10/20 Sportvan 2WD	L4	305/8
13	16	Chev G10/20 Sportvan 2WD	L4	350/8
11	13	Ford E150 Club Wagon	A3	351/8
CARGO VANS				
18	24	Ford Aerostar Van	L4	183/6
17	22	Chev Astro 2WD	L4	262/6
14	18	Ford E150 Econo	L4	302/6
14	16	Chev G10/20 2WD	A3	305/8
13	15	Dodge B150/B250 2WD	A3	318/8
11	13	Ford E150 Econo	A3	351/8
11	13	Ford E250 Econo	A3	351/8
11	13	Dodge B150/B250 2WD	A3	360/8
SPECIAL PURPOSE VEHICLES TWO-WHEEL-DRIVE				
20	23	Plymouth Voyager	A3	135/4
19	24	Jeep Cherokee Wgner	L4	150/4
19	22	Plymouth Voyager	A3	156/4
19	21	Dodge Caravan/Ram Van	A3	135/4
16	21	Jeep Cherokee	L4	242/6

A-Automatic
L-Lock-Up
M-Manual

USED CARS

The following are average car prices ending January 14, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2275	2298	2229
83 AMC CONCORD			
Sdn	2496	2521	2446
Sta Wgn	2635	2661	2582
83 BUICK SKYLARK			
Sdn Custom	2981	3011	2920
82 BUICK SKYLARK			
Sdn	2419	2443	2369
83 BUICK REGAL			
Sdn	4471	4516	4383
Cpe	4598	4645	4506
82 BUICK REGAL			
Turbo Cpe	3958	3998	3879
Cpe	3832	3871	3755
83 BUICK CENTURY			
Sdn Custom	4341	4385	4254
82 BUICK CENTURY			
Sdn Custom	3558	3595	3487
83 CADILLAC			
Cpe DeVille	7152	7223	7009
Sdn DeVille	7111	7182	6969
82 CADILLAC			
Cpe DeVille	5675	5732	5562
Sdn DeVille	5635	5691	5521
83 CHEVY			
Chvt Htchbk 4 Dr	2186	2207	2142
Camaro Cpe 8	4901	4950	4803
82 CHEVY			
Chvt Htchbk 4 Dr	1707	1725	1672
Camaro Cpe 8	4173	4216	4091
83 CHEVY CELEBRITY			
Sdn	3767	3806	3692
82 CHEVY CELEBRITY			
Sdn	3064	3094	3003
83 CHEVY CAVALIER			
Sdn	3014	3045	2953
82 CHEVY CAVALIER			
Sdn	2213	2236	2169
83 CHEVY CITATION			
Cpe 6	2271	2294	2226
82 CHEVY CITATION			
Cpe 6	1733	1751	1698
83 CHEVY MALIBU			
Clas Sdn	3475	3509	3405
Clas Sta Wgn	3618	3655	3546
82 CHEVY MALIBU			
Clas Sdn	2849	2877	2791
Clas Sta Wgn	2974	3004	2916
83 CHEVY MONTE CARLO			
Cpe	4555	4601	4463
82 CHEVY MONTE CARLO			
Cpe	3634	3670	3562
83 CHEVY IMPALA			
Sdn	4058	4098	3976
82 CHEVY IMPALA			
Sdn	3105	3135	3042
Wgn 9	3226	3259	3162
83 CHEVY CAPRICE			
Sdn	4613	4659	4520
Sta Wgn	4773	4821	4678
83 CHRYSLER			
E-Class Sdn	3791	3829	3715
82 CHRYSLER			
New Yorker Sdn	4501	4547	4412
83 DODGE OMNI			
4 Dr Cust	2482	2508	2432
82 DODGE OMNI			
4 Dr Cust	1861	1880	1824
83 DODGE ARIES			
Cpe	2478	2503	2428
82 DODGE ARIES			
Sdn	1866	1885	1830
83 DODGE DIPLOMAT			
Sln Sdn	3029	3059	2969
82 DODGE DIPLOMAT			
Sln Sdn	2417	2442	2369
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2360	2657	2577
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2039	2059	1999
83 FORD MUSTANG			
L-Cpe 4	3546	3582	3475
82 FORD MUSTANG			
L-Cpe 4	2750	2778	2695
83 FORD LTD			
Sdn	3048	3079	2988
82 FORD LTD			
Sdn	3142	3174	3080
83 FORD ESCORT			
Htchbk 4 Dr	2417	2442	2368
83 FORD CROWN VIC			
Sdn	5228	5280	5122
82 FORD CROWN VIC			
Sdn	3722	3760	3647
83 FORD THUNDERBIRD			
Cpe	4789	4837	4694
82 FORD THUNDERBIRD			
Cpe	3571	3607	3499
83 LINCOLN CONTINENTAL			
Sdn	9268	9361	9083
Mark VI Cpe	9393	9488	9206
82 LINCOLN CONTINENTAL			
Sdn	7316	7388	7169
Mark VI Cpe	7500	7575	7350
83 MERCURY COUGAR			
Cpe	4872	4920	4776
82 MERCURY COUGAR			
GS Cpe	2498	2523	2448
83 MERCURY LYNX			
Htchbk 2-Dr	2388	2410	2340
83 MERCURY MARQUIS			
Sdn	3086	3116	3022
82 MERCURY MARQUIS			
Sdn	3443	3478	3375
Wgn-2S	3550	3586	3479
83 OLDS CIERA LS			
Cpe	4279	4322	4194
Sdn	4334	4378	4247
83 OLDS CUTLASS SUPREME			
Cpe	4866	4914	4770
Sdn	4730	4778	4636
82 OLDS CUTLASS SUPREME			
Sdn	3883	3922	3806
Cpe	4034	4075	3954
83 OLDS DELTA 88			
Sdn	4568	4613	4476
82 OLDS DELTA 88			
Sdn	3788	3826	3713
83 OLDS DELTA 98			
Sdn	6301	6365	6176
82 OLDS DELTA 98			
Sdn	4966	5017	4867
83 OLDS OMEGA			
Sdn	2981	3011	2920
82 OLDS OMEGA			
Sdn	2419	2443	2369
83 OLDS FIRENZA			
Sdn	3374	3408	3306
82 OLDS FIRENZA			
Sdn	2689	2717	2636
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2425	2450	2376
83 PLYMOUTH RELIANT			
Cpe	2486	2510	2436
82 PLYMOUTH RELIANT			
Cpe	1852	1870	1815
83 PONTIAC FIREBIRD			
Cpe 8	4928	4978	4829
83 PONTIAC 6000			
Cpe	3940	3980	3862
Sdn	3992	4031	3912
82 PONTIAC 6000			
Cpe	3241	3273	3177
83 PONTIAC GRAND PRIX			
Cpe	4699	4746	4605
83 VOLKSWAGEN JETTA			
4 Dr Sdn	4057	4098	3976
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3253	3286	3188
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	2970	3000	2911
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2191	2213	2147
83 DATSUN			
Sentra 2 Dr Std Sdn	2333	2356	2286
Stanza Hbk 4 Dr Dlx	3297	3330	3231
82 DATSUN			
210 Std 2 Dr	1673	1690	1640
Sentra 2 Dr	1895	1914	1857
Stanza Hbk 4 Dr Dlx	2579	2605	2527
83 TOYOTA			
Corolla Sedan 2 Dr	3093	3124	3031
Celica St	4428	4472	4339
Camry Sedan	5028	5078	4927
82 TOYOTA			
Corolla 2 Dr Sdn	2363	2387	2316
Celica St Cpe	3488	3523	3418

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GAS PRICES

	UNLEADED	
	Cost Per Gallon Unleaded	
City	Full-Serve	Self-Serve
Phoenix, AZ	111.2	79.6
Santa Ana, CA	121.9	72.9
Hartford, CT	107.9	92.9
Washington, D.C.	132.9	87.7
Atlanta, GA	111.6	74.9
Honolulu, HI	148.5	111.9
Chicago, IL	121.0	91.2
Hutchinson, KS	99.9	71.2
New Orleans, LA	105.2	82.6
St. Paul, MN	110.7	85.7
Charlotte, NC	123.4	83.9
New York, NY	91.9	78.9
Tulsa, OK	91.6	71.2
Houston, TX	118.3	74.0
Tacoma, WI	143.9	79.4

Survey conducted during the first five working days of January 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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march 1987

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

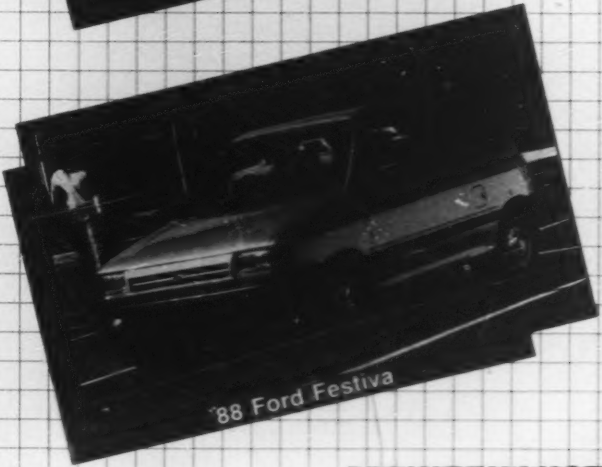
'88 Renault Medallion

'88 Mercury Tracer

'87 Volkswagen Fox

'88 Pontiac LeMans

'88 Chevy Full-Size Pickup



'88 Ford Festiva

MAINTENANCE

- **National Accounts**
- **Site Selection**

NEW CARS & PICKUPS

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

MARCH 1987
VOL. 26, NO. 5
Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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Fleets that lease save more than those that own.

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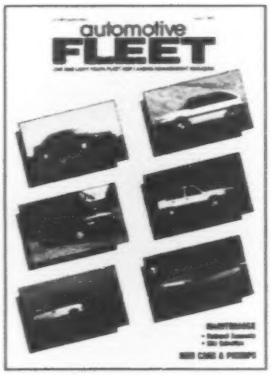

On the cover: This spring, automakers are unveiling a number of internationally-sourced small cars, and GM's taking the wraps off its first all-new pickup in 15 years. Story, page 30.

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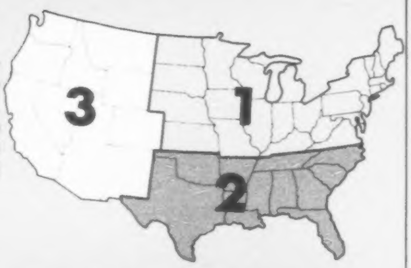
USED CARS

The following are average car prices ending February 4, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2241	2264	2196
83 AMC CONCORD			
Sdn	2471	2496	2422
Sta Wgn	2609	2634	2556
83 BUICK SKYLARK			
Sdn Custom	2936	2966	2876
82 BUICK SKYLARK			
Sdn	2383	2406	2333
83 BUICK REGAL			
Sdn	4426	4471	4339
Cpe	4552	4599	4461
82 BUICK REGAL			
Turbo Cpe	3918	3958	3840
Cpe	3794	3832	3717
83 BUICK CENTURY			
Sdn Custom	4298	4341	4211
82 BUICK CENTURY			
Sdn Custom	3522	3559	3452
83 CADILLAC			
Cpe DeVille	7080	7151	6939
Sdn DeVille	7040	7110	6899
82 CADILLAC			
Cpe DeVille	5618	5675	5506
Sdn DeVille	5579	5634	5466
83 CHEVY			
Chvt Htchbk 4 Dr	2153	2174	2110
Camaro Cpe 8	4852	4900	4755
82 CHEVY			
Chvt Htchbk 4 Dr	1681	1699	1647
Camaro Cpe 8	4131	4174	4050
83 CHEVY CELEBRITY			
Sdn	3729	3768	3655
82 CHEVY CELEBRITY			
Sdn	3033	3063	2973
83 CHEVY CAVALIER			
Sdn	2984	3015	2923
82 CHEVY CAVALIER			
Sdn	2180	2202	2136
83 CHEVY CITATION			
Cpe 6	2237	2260	2193
82 CHEVY CITATION			
Cpe 6	1707	1725	1673
83 CHEVY MALIBU			
Clas Sdn	3423	3456	3354
Clas Sta Wgn	3564	3600	3493
82 CHEVY MALIBU			
Clas Sdn	2806	2834	2749
Clas Sta Wgn	2929	2959	2872
83 CHEVY MONTE CARLO			
Cpe	4509	4555	4418
82 CHEVY MONTE CARLO			
Cpe	3598	3633	3526
83 CHEVY IMPALA			
Sdn	4017	4057	3936
82 CHEVY IMPALA			
Sdn	3074	3104	3012
Wgn 9	3194	3226	3130
83 CHEVY CAPRICE			
Sdn	4567	4612	4475
Sta Wgn	4725	4773	4631
83 CHRYSLER			
E-Class Sdn	3734	3772	3659
82 CHRYSLER			
New Yorker Sdn	4456	4502	4368
83 DODGE OMNI			
4 Dr Cust	2445	2470	2396
82 DODGE OMNI			
4 Dr Cust	1833	1852	1797
83 DODGE ARIES			
Cpe	2453	2478	2404
82 DODGE ARIES			
Sdn	1847	1866	1812
83 DODGE DIPLOMAT			
Sln Sdn	2999	3028	2939
82 DODGE DIPLOMAT			
Sln Sdn	2381	2405	2333
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2591	2617	2538
82 FORD FAIRMONT			
Futura Sdn 4 Dr	2008	2028	1969
83 FORD MUSTANG			
L-Cpe 4	3511	3546	3439
82 FORD MUSTANG			
L-Cpe 4	2722	2750	2668
83 FORD LTD			
Sdn	3002	3033	2943
82 FORD LTD			
Sdn	3111	3142	3049
83 FORD ESCORT			
Htchbk 4 Dr	2381	2405	2332
83 FORD CROWN VIC			
Sdn	5191	5243	5086
82 FORD CROWN VIC			
Sdn	3685	3722	3611
83 FORD THUNDERBIRD			
Cpe	4741	4789	4647
82 FORD THUNDERBIRD			
Cpe	3535	3571	3464
83 LINCOLN CONTINENTAL			
Sdn	9175	9267	8992
Mark VI Cpe	9299	9393	9114
82 LINCOLN CONTINENTAL			
Sdn	7243	7314	7097
Mark VI Cpe	7425	7499	7276
83 MERCURY COUGAR			
Cpc	4823	4871	4728
82 MERCURY COUGAR			
GS Cpe	2461	2485	2411
83 MERCURY LYNX			
Htchbk 2-Dr	2352	2374	2305
83 MERCURY MARQUIS			
Sdn	3040	3069	2977
82 MERCURY MARQUIS			
Sdn	3409	3443	3341
Wgn-2S	3514	3550	3444
83 OLDS CIERA LS			
Cpe	4236	4279	4152
Sdn	4291	4334	4205
83 OLDS CUTLASS SUPREME			
Cpe	4817	4865	4722
Sdn	4683	4730	4590
82 OLDS CUTLASS SUPREME			
Sdn	3844	3883	3768
Cpe	3994	4034	3914
83 OLDS DELTA 88			
Sdn	4522	4567	4431
82 OLDS DELTA 88			
Sdn	3328	3361	3262
83 OLDS DELTA 98			
Sdn	6238	6301	6114
82 OLDS DELTA 98			
Sdn	4916	4967	4818
83 OLDS OMEGA			
Sdn	2936	2966	2876
82 OLDS OMEGA			
Sdn	2383	2406	2333
83 OLDS FIRENZA			
Sdn	3340	3374	3273
82 OLDS FIRENZA			
Sdn	2649	2676	2596
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2389	2413	2340
83 PLYMOUTH RELIANT			
Cpe	2461	2485	2412
82 PLYMOUTH RELIANT			
Cpe	1833	1851	1797
83 PONTIAC FIREBIRD			
Cpe 8	4879	4928	4781
83 PONTIAC 6000			
Cpe	3901	3940	3823
Sdn	3952	3991	3873
82 PONTIAC 6000			
Cpe	3209	3240	3145
83 PONTIAC GRAND PRIX			
Cpe	4652	4699	4559
83 VOLKSWAGEN JETTA			
4 Dr Sdn	3996	4036	3916
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3204	3236	3140
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	2881	2910	2823
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2125	2146	2083
83 DATSUN			
Sentra 2 Dr Std Sdn	2263	2286	2218
Stanza Hbk 4 Dr Dlx	3198	3230	3134
82 DATSUN			
210 Std 2 Dr	1623	1639	1591
Sentra 2 Dr	1838	1856	1801
Stanza Hbk 4 Dr Dlx	2502	2527	2452
83 TOYOTA			
Corolla Sedan 2 Dr	3047	3077	2986
Celica St	4362	4406	4275
Camry Sedan	4953	5003	4854
82 TOYOTA			
Corolla 2 Dr Sdn	2328	2351	2281
Celica St Cpe	3436	3470	3367

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	UNLEADED Cost Per Gallon Unleaded	
City	Full-Serve	Self-Serve
Juneau, AK	140.4	129.9
Little Rock, AR	121.6	86.9
Pasadena, CA	112.4	82.9
Denver, CO	121.5	93.2
Jacksonville, FL	119.3	88.9
Council Bluffs, IA	107.0	87.0
Idaho Falls, ID	83.4	80.4
South Bend, IN	121.9	91.2
Worcester, MA	100.9	81.4
Royal Oak, MI	134.9	89.9
St. Louis, MO	115.0	79.1
Reno, NV	126.4	107.9
Lancaster, PA	117.9	91.9
Dallas, TX	129.2	85.6
Wheeling, WV	103.9	83.4

Survey conducted during the first five working days of February 1987. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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Convention Issue

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april 1987

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

AF's 8th Annual

TOP 100

LESSORS ACCESS INDUSTRY
'87's BIG BUYS
SELLING USED CARS

automotive FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

APRIL 1987
VOL. 26, NO. 6
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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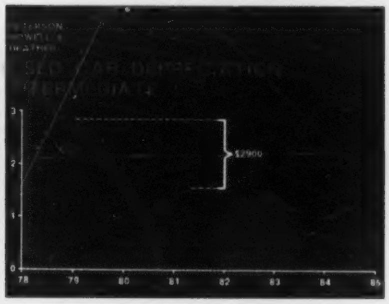

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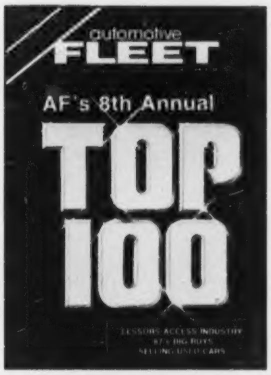

On the cover: Renault/Jeep presents the Eighth Annual *Automotive Fleet* Top 100 listing of the largest business fleets in the U.S.

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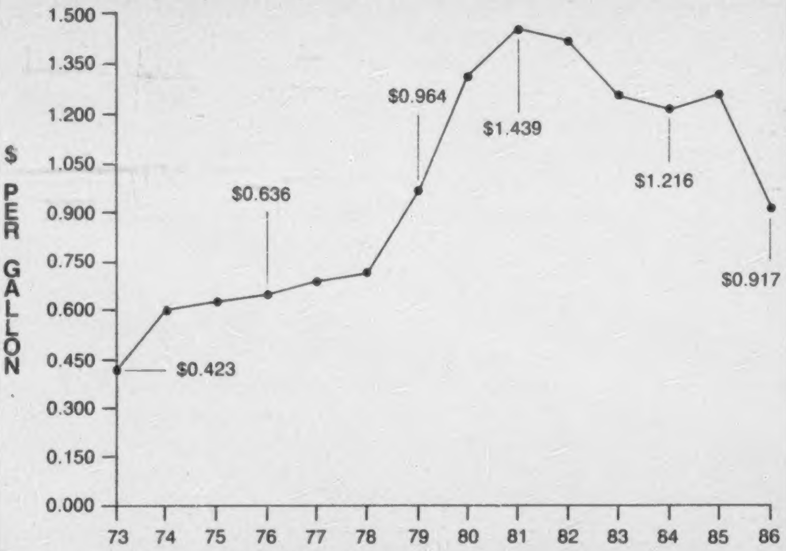
years with no volume commitment. No announcement was made on the future of the Renault Alpine, however, some observers feel it may be vulnerable especially since Chrysler plans to introduce its own limited- volume Chrysler TC by Maserati as a 1988 model in the same $30,000 price range.

The Medallion and Alpine are both built in France, and the Premier will be built at American Motors' new assembly plant in Bramalea, Ontario, Canada. The Premier was scheduled to begin rolling off the Bramalea assembly line in July. The plant has an annual capacity of between 150,000 to 200,000 cars.

Modest Gas Increase Predicted

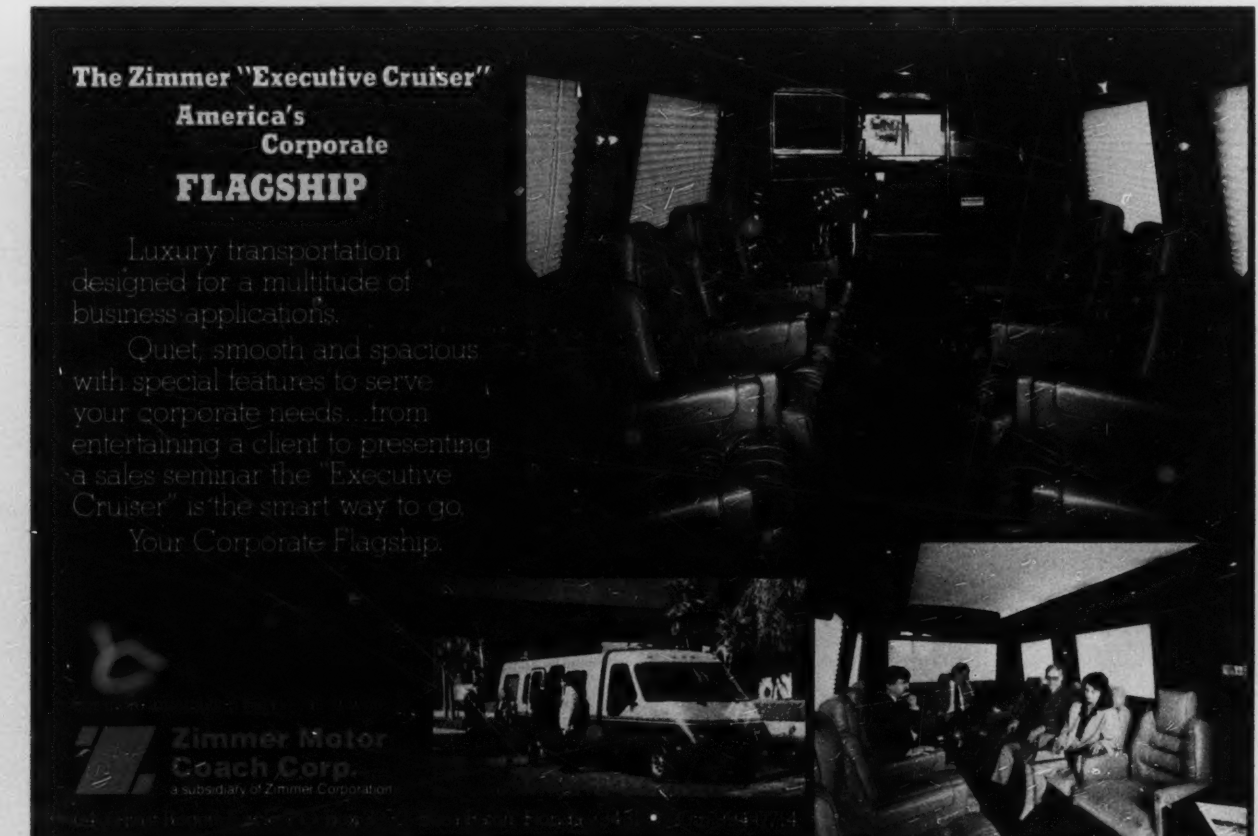
Barring any unforeseen events, the average price of gasoline in the U.S. should not increase more than five cents above the February average of 90.5 cents per gallon in 1987.

Average U.S. Gasoline Prices 1973-86*



*NOTE—prices from 1973-82 were full-serve unleaded and from 1983-86 were self-serve unleaded. All prices were effective on July 1.

Source: Runzheimer Reports on Transportation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(The 90.5 cents per gallon price is based on self-serve, unleaded regular gasoline.) The prediction was made by *Runzheimer Reports on Transportation* which also stated there was a possibility that gasoline prices could even decline if the proper circumstances presented themselves.

Even if OPEC were to straighten out differences between member nations in 1987, the Runzheimer editors say it would have a limited effect on the U.S. average price per gallon for the next 10 months because of the tremendous amount of excess gasoline in storage.

GECAA Buys Ninth Auto Auction

General Electric Credit Auto Auctions purchased the Minneapolis Auto Auction in Plymouth, MN on March 3, says Don Fowler, the firms's vice president of sales and marketing. The purchase represents the ninth auto auction that is operated by GECAA. In an earlier interview, GECAA said it is planning to expand to 20 locations in the next three years. Recently, the General Electric Credit Corp. unit purchased four other auto auctions. Purchased were the Greater Chicago Auto Auction in Alsip, IL; the St. Louis Auto Auction in Bridgeton, MO; the Los Angeles Dealer Auto Auction in Rosemead, CA, and the Southern California Auto Auction in Fontana, CA. In addition, the company operates the South Seattle Auto Auction in Kent, WA; Bay Cities Auto Auction in Hayward, CA; Denver Auto Auction in Englewood, Co, and the Harrisonburg Auto Auction in Harrisonburg, VA.

Legislation to Extend Emission System Warranties

NAFA's legislative counsel, Patrick O'Connor, reports that hearings have been held in Washington D.C. by the U.S. Senate on legislation, which, among other things, seeks to extend warranty terms for emission control systems to 10 years/100,000 miles. Currently, the warranty terms for emission control systems is five years/50,000 miles. The hearings were held in the Senate Public Works Committee. The proposed legislation is part of the "New Clean Air Act" (Senate Bill 300) and is sponsored by Republican Vermont Senator Thomas Stafford. A similar bill was introduced by Senator George Mitchell, a Democrat from Maine.

Toyota Increases New-Car Warranty

Toyota expanded its factory powertrain and rust perforation warranty coverage on all of its 1987 models. The new powertrain coverage for cars and trucks is now 36-months/36,000 miles from 24-months/24,000 miles. Also, the new

David Wilson

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SURVEY

What factors influence the resale value of a fleet vehicle? To find out, LMV Leasing surveyed used vehicle auctions and brokers throughout the country to see what they thought were the key factors affecting resale.

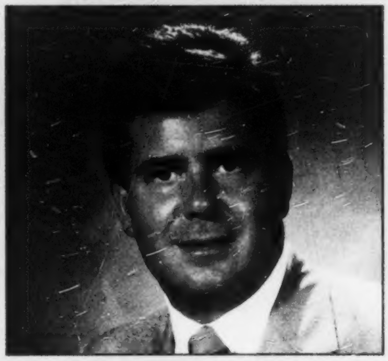
How To Increase Vehicle Resale Values

LMV Leasing, Inc. recently surveyed its largest used vehicle auctions and brokers throughout the country, asking the experts what factors improve the resale value of fleet vehicles. LMV, a Xerox Financial Services Company, sells thousands of used vehicles for fleet customers each year.

Predictably, the survey found that highest used vehicle value depends on the mileage and condition of the vehicle. The experts also stressed that an acceptable return on investment begins with decisions made at the time the new vehicle is ordered. Unless a new vehicle is equipped with acceptable optional equipment, it will never attain good resale value, according to the experts.

Although designed primarily for fleet customers, this survey provides resale guidelines for any vehicle owner.

In addition, *Automotive Fleet* interviewed three of the nation's largest auctions to get additional insights on how to increase the resale value of a fleet vehicle. Interviewed were Dennis Thee, vice president of sales for Anglo American Auto Auctions; Don Fowler, vice president of sales and marketing for General Electric Credit Auto Auctions, and Robert Wholehan, national accounts manager for Manheim Auctions.



Dennis Thee.

Since market conditions influence resale values, *AF* posed the question: What are the current economic conditions of the used-car market?

"There's been confusion in the market generated by various manufacturer interest programs that, for short periods of time, have made vehicles less desirable," says Thee. "But there hasn't been a downturn in the used-car market." In fact, the resale value of some used vehicles, such as three- to four-year-old cars, have been enhanced by these manufacturer incentive programs, according to Thee. Wholehan of Manheim Auctions agrees that the used-car market is strong.

"For the first 10 weeks of this year, the used-car market has been very strong," says Wholehan. "Prices have been holding firm. There's no indication that this should change."

With used-car prices holding firm, what are the key factors influencing resale values? According to the LMV Leasing survey, mileage and condition rank as the major factors to be considered in vehicle resale. Brokers and auctions strongly urge fleet owners to put fewer miles on their vehicles, noting that after 60,000 miles it's difficult to get much for a car.

Optional equipment also was given high priority in the survey. The experts warned that a stripped-down

How do you rate the following as to resale?

(All numbers shown in percents)	Very Important	Some Importance	Not Important
Mileage	88	12	0
Condition	75	25	0
Equipment	63	35	2
Model	56	42	2
Engine Size	54	44	2
Make	44	49	7
Interior	42	56	2
Color	26	70	4

luxury car will not sell in the current market, and said buyers prefer larger engines.

Robert Wholehan.

The most important factor influencing resale value for the greatest number of survey respondents was mileage. For the best resale value, keep mileage under 30,000 on a one-year-old vehicle, under 50,000 for a two-year-old vehicle, and under 60,000 for a three-year-old vehicle. See Figure 1 for a breakdown of acceptable mileage for one- to six-year-old vehicles.

The second most important resale factor for auctions and brokers is a vehicle's condition.

"The cleaner the car, the better the net resale value," says Fowler of GECAA. According to Fowler, front line, retail-ready fleet cars always have the highest resale value. "A condition report is an indication of the marketability of a vehicle. A reconditioned fleet vehicle is front line, used-car-lot-ready. Recondi-

Don Fowler.

What is the maximum mileage that is acceptable in marketing fleet vehicles for resale purposes?

(In percents)	Under 20 M	Under 30 M	Under 40 M	Under 50 M	Under 60 M	Under 70 M	Under 80 M	Under 90 M	Under 100 M	Over 100 M
1 Year Old	9	51	26	14	0	0	0	0	0	0
2 Years Old	0	5	23	42	26	2	2	0	0	0
3 Years Old	0	0	7	19	45	26	3	0	0	1
4 Years Old	0	0	0	10	26	31	21	5	5	2
5 Years Old	0	0	0	10	7	28	28	11	14	2
6 Years Old	0	0	0	5	7	26	23	14	16	9

Figure 1

What is the minimum equipment acceptable in marketing fleet type vehicles?

(In percents)	Compact	Intermediate	Full Size	Luxury	Specialty
Automatic Transmission	88	97	99	99	83
Air Conditioning	97	99	99	99	90
Standard Radio	76	57	38	29	29
Power Steering	83	90	100	100	95
Cruise Control	27	88	95	100	90
Power Windows	2	29	76	98	83
Stereo/Tape	17	36	64	83	74
Rear Window Defroster	21	40	64	83	74
Tilt Wheel	26	67	90	95	74
Optional Engine	29	56	71	76	68
Optional Trim	27	32	66	85	76

Figure 2

tioning means a car will be sold at the highest value available," says Wholehan. However, fleet managers need to weigh the tradeoffs of the cost of reconditioning versus the net resale value of the fleet vehicle," says Fowler.

According to respondents of the LMV survey, performing touch-up or body work before turning in fleet vehicles isn't worth the effort. The surveyed specialists indicated an overwhelming, "Don't bother." LMV posed the following question to auctioneers and brokers: "Do you want the lessee to touch up their vehicles before turning them in?" An overwhelming 93 percent said, "No." Only seven percent said, "Yes." A corollary to this question read: Do you want the lessee to do any body work on their vehicles before turning them in?" The vast majority of responses was again, "No" (85 percent), while 15 percent indicated they wanted lessees to perform body work on damaged fleet vehicles.

The third most important criterion for resale value is equipment.

Performing touch-up or body work before turning in fleet vehicles isn't worth the effort. The surveyed specialists indicated an overwhelming, "Don't bother."

"The retail buyer of used cars likes nicely-equipped cars," says Wholehan. "Daily rental companies have found that better-equipped cars are more attractive to retail buyers," adds Wholehan. When selecting options for a fleet vehicle that will influence resale value, it's best to buy a package of options, says Fowler. "Any one item in and of itself will not add great value to a car. A package of options, such as stereo, cruise control, and tilt wheel, will add value," he says. "Options by themselves don't cause appreciable value, but together, they build a higher class of car," adds Fowler.

Automatic transmissions, air conditioning, AM-FM radios, power steering and cruise control are basic necessities in the current resale market for all but compact cars. After that, the rule of thumb seems to be, the bigger the car, the more extras are required for top resale. Please note that the standard radio on most cars is AM-FM. See Figure 2 for a breakdown of the minimum equipment acceptable in marketing fleet-type vehicles.

The fourth greatest factor influencing resale value is color. When purchasing vehicles, keep in mind that light and medium exterior colors are better "resellers" than dark colors. Color influences resale values differently in different markets, according to Wholehan. For instance, Southern brokers, in particular, found that lighter cars sell better.

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When survey respondents were asked their color preferences, 61 percent chose light colors; 49 percent selected medium colors, and 17 percent said dark colors. (Note that percentage totals may exceed 100 percent due to multiple answers.) Expert opinion was split, however, regarding metallic finishes. Here, 46 percent said they preferred metallic finishes, while 54 percent did not. LMV recommends against ordering a vehicle that looks like a fleet vehicle. Charcoal or navy blue paint are dead giveaways. Green is the worst color for resale.

Number five among resale factors is the vehicle's interior. Medium-toned interiors turned out to be runaway favorites for resale, but a dark-toned interior was more acceptable than a light interior. In spite of its durability, vinyl upsholstery was the last choice among experts surveyed. Comfortable cloth upholstery was preferred.

Among survey respondents, only seven percent preferred vinyl upholstery, while 92 percent favored cloth, and the remaining nine percent preferred leather. The preference for medium- colored interiors accounted for 73 percent of all selections. Fifteen percent favored light-colored interiors, while 24 percent preferred dark-colored interiors.

The sixth highest influence in resale is engine size. A compact car is the only type of vehicle that can get by with a standard engine in the used-car market. Optional engines are preferred in intermediates, while full-size, luxury and specialty cars can only return premium value if they have the largest available engine under the hood. See Figure 3 for a breakdown of engine preferences by model size.

Which engine do you prefer for the following models?

(In percents)	Standard	Optional	Largest
Compact	62	20	18
Intermediate	18	60	22
Full Size	4	32	64
Luxury	4	20	76
Specialty	8	29	63

Figure 3

Number seven among resale factors is vehicle size. Intermediate size vehicles were preferred by 78 percent of those responding to the survey. They were rated as easier to sell than either full-size or compact

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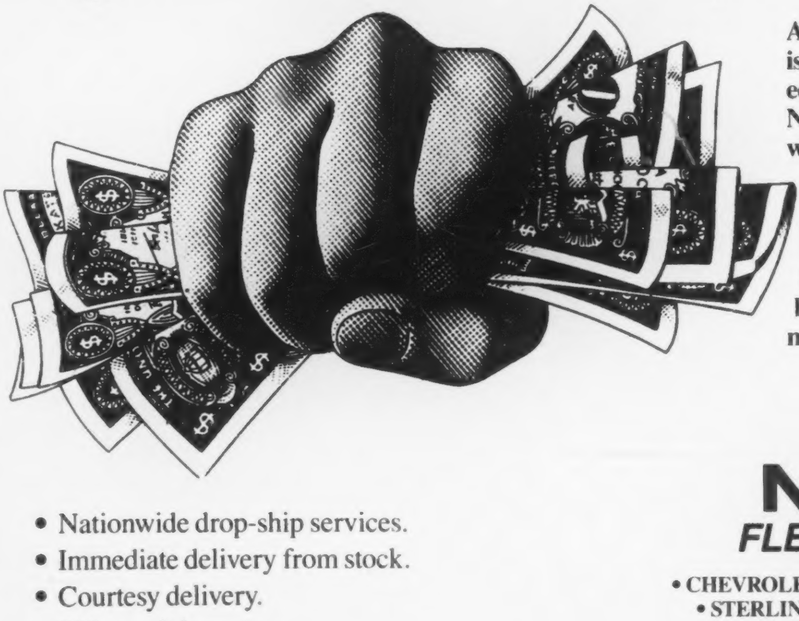

models. The second-highest preference was for full-size automobiles, which accounted for 44 percent of respondents. Compacts were the least preferred, rating only 15 percent of responses.

"A fleet manager should look at the reputation of a car that is being brought into the fleet, and whether that reputation will be maintained for the length of time the fleet will hold the vehicle," Wholehan says.

Another influence is replacement cycle. The survey showed the resale market to be most active in the spring. Vehicles turned over in the winter stand the least chance for top resale dollar.

The survey posed the question: "When do you feel is the best time to market fleet-type vehicles?" The best time, according to 71 percent of the auctioneers and brokers is spring. Twenty percent said summer and nine percent picked fall. None of the respondents picked winter. Wholehan agrees that the strongest used-car market is in the spring. "The market usually opens first in Florida in the middle of January and moves north as weather conditions improve. By the middle of March, markets are pretty well open all over," says Wholehan.

> *"A package of options, such as stereo, cruise control, and tilt wheel, will add value... Options by themselves don't cause appreciable value, but together, they build a higher class of car."*

Auctions and brokers will usually pick up used fleet vehicles wherever the client sends them. However, according to the LMV survey, 61 percent, the majority, prefer to pick up used vehicles at a new car dealership. "They (dealers) store the cars in one location and are accustomed to having cars dropped off and picked up. It's convenient," says Wholehan. "By and large, we'll pick them up anywhere a leasing company tells us," he adds.

According to Thee, since the new extended warranty programs are transferrable, Americans will begin keeping track of service records similar to the European practice. The ability to provide documented evidence of proper servicing is seen as a definite plus for 79 percent of the surveyed auctions and brokers. Most of those responding to the survey (70 percent) liked the idea of used vehicle warranties, such as LMV's Extended Coverage Plus/Used Vehicles.

So, what is the prognosis for the used-car market? "I think this year is going to be strong. Everything we look at says there's a tremendous demand out there," says Thee. AF

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For the 13th year out of the past 14, costs to own and operate a new car rose, even though gas prices and loan interest rates were lower in 1986 versus 1985, as shown by Hertz Corp.'s latest survey results.

New Car Ownership and Operating Costs Edge Up

Despite plunging gasoline prices and loan interest rates, 1986 auto ownership and operating expenses rose for the 13th year in the past 14, as typical compact models hit a record 48.48 cents a mile, up 1.8 percent, or .8 cents from 1985's 47.64 cents, according to The Hertz Corporation's latest annual estimates.

Since 1972, the last year before the first Arab oil embargo, outlays to own and run typical U.S. cars tripled, dropping 5.2 percent only in 1983.

This is nearly twice the nation's overall 162 percent living cost rise in the same 14-year period, the report states.

The new Hertz survey lists increases in 1986 insurance, licenses, taxes, fees, maintenance, repairs, and depreciation — the difference between car purchase price and resale value. These offset service station and loan cost declines. The annual studies by Hertz exclude parking and tolls.

Comparable 1986 compact car purchase prices shot up nearly 6.2 percent to $10,439, from 1985's $9,834. Purchase price increases can boost depreciation, loan, tax, and insurance outlays, the study points out. The 48.48 cents-a-mile 1986 figure is for a normally-equipped, compact-sized make, purchased new and run 10,000 miles annually for five years, typical U.S. new car driving.

Automotive expenses differ significantly by vehicle size, optional equipment, annual mileage, ownership duration, and where cars are driven, the company's study notes.

In the most recent report, mid-size models showed the sharpest advance, rising 19 percent to 56.13 cents a mile from 47.15 cents in 1985. Standard-size cars stayed virtually even at 62.98 cents a mile, 56 percent above the sub-compact's estimated cost, which fell 1.3 percent to 40.42 from 40.92 cents a mile. (See chart for Hertz 1978-1986 cost estimates by car size.)

Hertz study figures demonstrate that keeping cars longer can save. New 1986 compacts driven 10,000 miles a year but traded annually cost 58.99 cents a mile, while those run 10,000 miles a year — for 10 years — averaged 37.71 cents a mile, some 21.28 cents under costs for annual trading, saving $21,280 over a car's 10-year, 100,000-mile lifespan, the study shows.

Hertz data indicate that some three-quarters of all auto outlays for typical driving are in so-called "fixed" or "standing" expenses, such as depreciation, interest, insurance, licenses, taxes, and fees. These are largely influenced by the car's purchase price and how long the car is driven. "Variable" or "running" costs, such as gasoline, oil, maintenance, repairs, parts, and accessories, comprise the remaining 25 percent of the expenditures.

Trading or selling a car sooner raises the "fixed" to "variable" cost ratio (to about four-fifths of total charges) while keeping a car longer usually lowers it (to roughly two-thirds).

The Hertz study reports that from 1972 to 1983, motorists drove less, kept cars longer, and bought smaller vehicles with fewer options to keep driving outlays within family incomes:

- From 1972 to 1983, average yearly passenger car mileage dropped 22 percent, from 10,362 to 8,037 miles, before turning upward to 8,317 miles in 1984, 8,586 miles in 1985, and 8,894 miles last year;
- Compact cars, rather than intermediates, are now the most typical new models purchased;
- New cars are now kept an average of 5.2 years against 3.6, and
- The average age of all cars is now 7.6 years versus 5.7 years in

Hertz 1978-1986 Cost Estimates By Car Size

Year	1986	1985	'86-5% Change	1984	1983	1982	1978	'78-86% Change
Subcompact	.4042	.4092	-1.22%	.3663	.3463	.3418	.2252	+.795
COMPACT	.4848	.4764	1.76%	.4567	.4328	.4467	.2485	+.951
Mid-size	.5613	.4715	19.04%	.4861	.4546	.4902	.2873	+.954
Intermediate	.5464	.5283	4.61%	.5019	.4956	.5009	.2891	+.890
Standard	.6298	.6297	—	.5977	.5542	.5231	.3233	+.948
5-Size AVG.	.5253	.5018	4.68%	.4817	.4567	.4605	.2747	+.831

1972.

The Hertz report stresses that variations in annual driving distances also have a material effect on the cents-per-mile costs, because annual fixed dollar outlays are divided by more, or fewer, miles.

For the five-year driver, a new 1986 compact's costs ranged from 85.05 cents a mile at 5,000 miles a year to 30.83 cents at an annual 20,000 miles of driving — 55.22 cents a mile less.

However, on an annual dollar basis, 5,000 miles a year totals just $4,252, while driving 20,000 miles a year comes to $6,165 — $1,913 a year more. The average driving distance for U.S. passenger cars in their first five years of service was 10,520 miles in 1985, the latest year for which there are mileage figures.

Driving expenses can vary so dramatically under such a wide array of circumstances that each motorist should figure his or her own outlays, Hertz advises.

For example, parking and tolls can add 10 to 40 cents to the 48.48 cents a mile average in major cities, but can vary substantially even for similar cars in the same city if driving patterns differ.

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USA Union Carbide Corp./United Technologies Exxon Dresser Industries Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & C
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Rollins Inc. IC Industries W.R. Grace & Co. Eastman Kodak Federal Express Corp. Burlington Northern Control Data Corp./Commercial Credit U.S. Ste
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Union Carbide Corp./United Technologies Exxon Dresser Industries Goodyear Nabisco Shell Motorola Rollins Inc. IC Industries W.R. Grace & Co. Eastma

STATISTICS

How AF's Eighth Annual Top 100 List Was Developed

While thousands of individuals fleet managers are curious about the size ranking of other commercial fleets, those that are fortunate enough to qualify in this honorable recognition are understandably almost covetous about the exact ranking earned each year. Besides the fleet themselves, we are inundated throughout the year for reprints by marketers and research people. Our staff cannot help but feel that we are truly making a vital contribution in identifying the *creme de la creme* of the largest fleets (and individuals who control them) in our TOP 100.

Since our initial survey in 1979, the original guidelines have remained intact; namely, that only business/corporate fleets with centralized automotive control (or individual fleet segments of a fleet within that company) are given consideration. Our tracking from year to year indicates that these criteria account for the majority of changes, since shifts in the rankings naturally take place when a company merges, centralizes, or decentralizes.

Company-controlled cars are our basic factor, along with the number of light trucks (but not lift trucks, trailers, heavy trucks, etc.) Some larger firms, such as IBM, are generally on an employee-owned and mileage reimbursement system, and these companies are not listed.

Our research department checked both by mail and phone to verify each of nearly 150 companies from known large fleets on *AF*'s circulation list. We have updated not only the vehicles under direct control, but verified the fleet contact and whether the fleet is company-owned or fully- or partially-leased.

REPRINTS OF TOP 100

Reprints of this special 20-page section are available through *AF*'s Reader Service Manager, 2512 Artesia Blvd., Redondo Beach, CA 90278; or by phoning (213) 376-8788.

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AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company Name	Rank
ARA Services	11
ARCO Oil & Gas	71
Abbott Labs	81
Aetna Life & Casualty	32
Allegheny Beverage Corp.	23
American Bakeries Co.	58
American Hoechst Corp.	94
Amoco Corp.	18
Ashland Oil, Inc.	20
Avon Products, Inc.	63
Bank of America	87
Bell & Howell Co.	89
Borg Warner Corp.	15
Brown & Williamson	91
Burlington Northern RR	40
CIGNA Corp.	69
CSX Transportation	**17**
Canteen Corp.	44
Continental Baking Co.	8
Continental Insurance	60
Control Data Corp.	72
Cox Enterprises, Inc.	49
Crawford & Co.	53
Diebold, Inc.	55
Dow Chemical USA	38
D & K Financial Corp.	5
Digital Equipment Corp.	6
Dresser Industries	36
Eastman Kodak Co.	24
Eaton Corp.	92
Economics Laboratory	73
Eli Lilly Company	74
Exxon Co. USA	25
FMC Corp.	84
Farmers Insurance Co.	61
Federal Express Corp.	1
Fireman's Fund Ins. Co.	**99**
Frito Lay, Inc.	4
GAB Business Services	75
General Electric, Maj. Apl.	30
General Foods	59
General Mills	93
Goodyear	26
Greyhound Corp.	78
Gulf & Western	**96**
Hallmark Cards, Inc.	97
Hartford Insurance	62
Hewlett-Packard Western	80
Hobart Corp.	100
Hoffman LaRoche	56
Honeywell	12
Household Finance	82
IC Industries	22
Ingersoll Rand	90
Interstate Brands	33
Johnson Controls, Inc.	41
Keebler Company	79
LDS Church	9
Liberty Mutual Ins. Co.	83
Lorillard, Inc.	98
Marathon Oil Co.	51
McDonald's Corp.	67
Merck & Co., Inc.	68
Minnesota Mining & Mfg.	13
Montgomery Ward	85
Motorola, Inc.	28
NL Industries, Inc.	95
Nabisco Brands, USA	29
PPG Industries	48
Pepsi Cola	64
Pfizer, Inc.	57
Phillips Petroleum	47
Philip Morris USA	50
Pony Express Courier Corp.	**76**
Procter & Gamble	42
Purolator Service, Inc.	43
Revlon, Inc.	54
Rollins, Inc.	31
Sears, Roebuck and Company	2
Shaklee Corp.	46
Shell Oil Co.	21
Sherwin Williams	**86**
Smith Kline & French	66
State Farm Insurance	10
Teledyne, Inc.	39
Tenneco, Inc.	19
Transamerica Corp.	77
Travelers Companies	45
Tupperware	7
USF&G Insurance	88
USX Corp.	35
Union Carbide Corp.	34
Union Pacific Systems	27
United Technologies	14
Upjohn Company	65
Van Pool Services	70
W.R. Grace	37
Westinghouse	16
Wickes Companies	**52**
Xerox	3

Note: Boldfaced companies are new to 1987's TOP 100 listing.

TOP 100

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
1	**4**	**Federal Express Corp. Memphis, TN**	**Jim Gwinner**	**X**	**ARI**	**16**	**15,960**	**15,976**
2	1	Sears, Roebuck & Co. Chicago, IL	William H. Jones, III	X	—	300	13,800	14,100
3	**3**	**Xerox Rochester, NY**	**Ron Pink**	**—**	**LMV**	**8,460**	**5,492**	**13,952**
4	2	Frito Lay, Inc Dallas, TX	Gorman R. Green Charles Loveless	X	—	980	12,500	13,480
5	**5**	**D & K Financial Corp. Glenview, IL**	**Walter Tenclinger**	**X**	**D & K Financial In-house Leasing**	**10,000**	**2,000**	**12,000**
6	6	Digital Equipment Corp. Maynard, MA	Rick Catino Ellen Finnerty Dave Rand	—	PH&H Gelco	9,748	902	10,650
7	**7**	**Tupperware Orlando, FL**	**Bernie Janis Joe Fox Stan Harris**	**—**	**In-house Leasing D & K Financial**	**10,300**		**10,300**
8	8	Continental Baking Co. St. Louis, MO	Paul J. Walsh	X	—	350	8,680	9,030
9	**10**	**Church of Jesus Christ of Latter Day Saints Salt Lake City, UT**	**Don J. Benson Scott Thregold, Harry Jeffs, Bob Clark**	**X**	**—**	**7,590**	**630**	**8,200**
10	16	State Farm Insurance Bloomington, IN	Tom Sours	X	—	7,734	175	7,909

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
11	12	ARA Services Philadelphia, PA	Ralph Jamic	X	Gelco	2,733	5,173	7,906
12	9	Honeywell Minneapolis, MN	Connie Wesley	—	Gelco, PH&H	5,060	2,750	7,810
13	13	Minnesota Mining & Manufacturing St. Paul, MN	Tim R. Hoffman H.P. Larson	X	—	6,218	1,245	7,463
14	14	United Technologies Corp Hartford, CT	Harold Tibbits	X	D & K Financial	6,200	1,200	7,400
15	15	Borg Warner Corp. Chicago, IL	Phyllis Howard	X	In-house Leasing	5,563	1,800	7,363
16	11	Westinghouse Pittsburgh, PA	Lou Dobak		In-house Leasing PH&H, D & K LMV	3,990	2,780	6,770
17		CSX Transportation Jacksonville, FL (Chessie/Seabaord Merger)	Robert C. Drury	X	ARI, BankAmeri-Lease, New England Merchants	1,672	4,885	6,557
18	18	Amoco Corp Chicago, IL	Richard Swanson	X	—	3,200	2,900	6,100
19	22	Tenneco, Inc Houston, TX	J.R. "Jack" Gudelman	X	Fleet Services	2,900	3,000	5,900
20	20	Ashland Oil Ashland, KY	William D. Bloss	X	PH&H	3,200	2,594	5,794
21	21	Shell Oil Co. Houston, TX	Eunice Stigall	X	—	2,255	3,395	5,650
22	25	IC Industries Chicago, IL	E. Pierce Walsh	X	Gelco	3,366	2,103	5,469
23	27	Allegheny Beverage Cheverly, MD	Jeff Mann Katherine Reynolds	X	PH&H	750	4,250	5,000
24	32	Eastman Kodak Co. Rochester, NY	Marc Carney	X	PH&H	4,950	50	5,000

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
25	19	Exxon Co. USA Houston, TX	John Dewees	X	—	2,200	2,800	5,000
26	23	Goodyear Akron, OH	A.P. Spencer	X	—	1,708	3,291	4,999
27	29	Union Pacific Sys. Omaha, NE	T.R. Oliveri	X	Gelco	925	4,074	4,979
28	30	Motorola, Inc. Schaumburg, IL	Daniel Russell	X	—	4,400	500	4,900
29	32	Nabisco Brands, USA E. Hanover, NJ	William Kiddle	X	—	3,300	1,550	4,850
30	52	General Electric Major Appliance RCA Service Co. Bus. Grp. Louisville, GA	Vic Miska	X	GECC/Kerr In-house Leasing	—	4,644	4,644
31	33	Rollins, Inc. Atlanta, GA	Bob Holloman.	X	B&M Equip. USFL, Wheels, PH&H	1,200	3,350	4,450
32	36	Aetna Life & Casualty Hartford, CT	Martin F. Crean	X	PH&H	3,800	300	4,100
33	46	Interstate Brands Corp. Kansas City, MO	David Weisman	X	—	—	4,018	4,018
34	17	Union Carbide Corp. Danbury, CT	Walt Dzitko	X	Wheels	3,400	600	4,000
35	38	USX Corp. Pittsburg, PA	Paul M. Piraino	X	ARI, LMV, USFL	1,860	2,046	3,906
36	40	Dresser Industries Pittsburgh, PA	John K. Hutchinson	—	In-house Leasing	2,700	1,144	3,844
37	24	W.R. Grace & Co. New Yrok, NY	Donald Fiar	X	PH&, USFL	1,850	1,925	3,775
38	41	Dow Chemical, USA Midland, MI	Tom Madden Sue Soper	—	CC/McCullagh Wheels	2,500	1,234	3,735

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
39	37	Teledyne, Inc. Los Angeles, CA	Robert Forsey	X	—	2,500	1,200	3,700
40	42	Burlington Northern RR St. Pual, MN	John Long	X	ARI, GECAL BankAmeriLease	1,000	2,700	3,700
41	35	Johnson Control, Inc. Milwaukee, WI	Bob Borchert	X	Gelso Southgate	1,462	2,230	3,692
42	43	Procter & Gamble Co. Cincinnati, OH	Clarence O'Dell	X	—	3,600	—	3,600
43	28	Purolator Service Co. Basking Ridge, NJ	Ron Yavorka	X	—	100	3,500	3,600
44	34	Canteen Corp. Chicago, IL	Mark Klein	X	—	884	2,638	3,522
45	45	Travelers Insurance Hartford, CT	Art Derderian	—	PH&H	3,445	—	3,445
46	26	Shaklee Corp. San Francisco, CA	Janice Williamson	X	In-house	3,300	50	3,350
47	39	Phillips Petroleum Bartlesville, OK	James I. Grillot	X	—	660	2,457	3,117
48	48	PPG Industries Pittsburgh, PA	Vic Pelletier Debbie Durick	X	D & K Financial	1,850	2,300	3,050
49	49	Cox Enterprises, Inc Atlanta, GA	Duane Berger	X	ARI, Wheels	1,000	2,020	3,020
50	53	Philip Morris, USA New York, NY	Gregory J. Tarring	—	PH&H, Gelco	1,000	2,000	3,000
51	47	Marathon Oil Co. Houston, TX	Lois A. Smith	X	Wheels	800	2,100	2,900
52	—	Wickes Companies, Inc Santa Monica, CA	Terry Flesia	—	Associates LMV	1,558	1,293	2,851
53	51	Crawford & Co. Atlanta, GA	Wanda S. Ellison	—	Calesco, Inc.	2,750	100	2,850

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
54	83	Revlon, Inc. New York, NY	R. Breault	—	PH&H, Gelco	2,780	25	2,805
55	56	Diebold, Inc. Canton, OH	Dave Allton	—	PH&H	1,160	1,640	2,800
56	62	Hoffman LaRoche Nurley, NJ	Paul J. Gates	—	PH&H, Wheels	2,470	300	2,770
57	54	Pfizer, Inc. New York, NY	Gordon B. West	X	Gelco, Wheels, PH&H	2,351	408	2,759
58	60	American Bakeries Co. Charlotte, NC	R.G. Kearns	X	PH&H	140	2,540	2,680
59	57	General Foods White Plains, NY	Dan Quigley	X	Wheels	2,500	100	2,600
60	55	Continental Insurance Piscataway, NJ	William J. Benzie Victor Kaplij	X	PH&H	2,560	38	2,598
61	66	Farmers Insurance Group Pasadena, CA	Gene Grembowski	—	In-house Leasing	2,501	51	2,552
62	58	Hartford Insurance Hartford, CT	Diane Brittell	X	PH&H	2,450	80	2,530
63	65	Avon Products, Inc. New York, NY	Maxine Sullivan	—	Gelco	900	1,600	2,260
64	75	Pepsi Cola Purchase, NY	Tony Vercillo Bob Taylor	X	—	900	1,600	2,260
65	73	Upjohn Company Kalamazoo, MI	Judy Rafferty	X	Wheels, Leaseway	2,150	300	2,450
66	68	Smith Kline Corp. Philadelphia, PA	Bill Haney Susan Gallagher Steve Elison	—	Wheels	2,246	188	2,434
67	87	McDonald's Corp. Oakbrook, IL	Jim Gorski Susan Stupak	—	PH&H	2,342	50	2,392

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
68	74	Merck & Co., Inc. Rahway, NJ	Alma Cristauro	—	PH&H	2,249	75	2,324
69	61	CIGNA Corp. Philadelphia, PA	Timothy Hagarty	X	PH&H	2,172	147	2,319
70	71	Van Pool Services Detroit, MI	Kenneth C. Sieloff	X	—	562	1,739	2,301
71	59	ARCO Oil/Gas Dallas, TX	Bob Leaumont	X	—	735	1,561	2,296
72	44	Control Data Corp. Minneapolis, MN	Kathleen L. Wester	—	CC/McCullagh	2,000	200	2,200
73	86	Economics Laboratory St. Paul, MN	Tom Laumann	X	Gelco	1,700	500	2,200
74	76	Eli Lilly Company Indianapolis, IN	Vic Hasler, Sue Webster Roger Greet	X	Wheels	1,926	270	2,196
75	78	GAB Business Services Parsippany, NJ	G.J. Keenan	X	PH&H D & K Financial	2,190	4	2,194
76	—	Pony Express Courier Corp., Charlotte, NY	Thomas Spight, Jr.	—	Borg Warner	441	1,751	2,192
77	67	Transamerica Corp. Los Angeles, CA	Jack Fay	X	In-house	2,100	75	2,175
78	81	Greyhound Corp. Phoenix, AZ	Edward J. Bloomfield	X	PH&H	1,800	355	2,155
79	82	Keebler Co. Elmhurst, IL	William R. Stanley	—	Wheels, Gelco	2,020	155	2,137
80	77	Hewlett Packard Western Region, North Hollywood, CA	Craig Kundrotas	X	In-house	2,134	19	2,135
81	85	Abbott Labs North Chicago, IL	Richard Derreberry	—	PH&H, Wheels	1,965	100	2,065

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
82	**89**	**Household Finance Prospect Heights, IL**	**Mary Kowalski**	**—**	**Lend Lease**	**2,000**	**7**	**2,007**
83	88	Liberty Mutual Insurance, CO., Boston, MA	Barbara Feinberg	X	—	1,984	21	2,005
84	**80**	**FMC Corp. Chicago, IL**	**Lawrence Dakof**	**X**	**D&K Financial**	**1,000**	**1,000**	**2,000**
85	63	Montgomery Ward Chicago, IL	Roseann Neavitt	—	Gelco, Kraft Veh., Inc.	120	1,880	2,000
86	**—**	**Sherwin Williams Cleveland, OH**	**Bob Carpenter David Hall**	**—**	**McCullagh, D & K Financial**	**1,125**	**850**	**1,975**
87	70	Bank of America San Francisco, CA	Dick Nettell	X	—	1,662	275	1,937
88	**91**	**USF&G Insurance Baltimore, MD**	**James D. Myers**	**—**	**In-house**	**1,850**	**25**	**1,875**
89	92	Bell & Howell Skokie, IL	Mike Winfield	—	CC/McCullagh Wheels, ARI	1,852	12	1,864
90	**90**	**Ingersoll Rand Piscataway, NJ**	**Patricia Pearsall**	**—**	**Wheels**	**1,235**	**627**	**1,862**
91	93	Brown & Williamson Tobacco Co. Louisville, KY	Bob Whitfield	X	—	589	1,266	1,855
92	**94**	**Eaton Corp. Cleveland, OH**	**Robert J. Wagner**	**—**	**D&K Financial**	**1,614**	**184**	**1,798**
93	95	General Mills Minneapolis, MN	Henry Paetzel Dick Livermore	X	—	1,379	289	1,668
94	**96**	**American Hoechst Somerville, NJ**	**Jim Devine Isabel Bogusz**	**X**	**Wheels Gelco**	**1,459**	**151**	**1,610**
95	64	NL Industries Houston, TX	Bernie Hodgeson	X	PH&H, In-House	935	659	1,596

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
96	—	**Gulf & Western** Rolling Meadows, IL	John W. Simon	X	Associates	1,550	35	1,585
97	97	Hallmark Cards, Inc. Kansas City, MO	Helen Bland	X	—	1,500	75	1,575
98	99	Lorillard, Inc. New York, NY	Sal Giacchi	—	Dart & Kraft Lend Lease, PH&H	1,075	500	1,500
99	—	**Fireman's Fund** Novato, CA	Sylvia Jones	X	—	1,522	48	1,570
100	98	Hobart Corp. Troy, OH	Dan Wray Mark Welty	—	D & K Financial LMV Leasing	500	1,050	1,550

AUTOMOTIVE FLEET's TOP 100

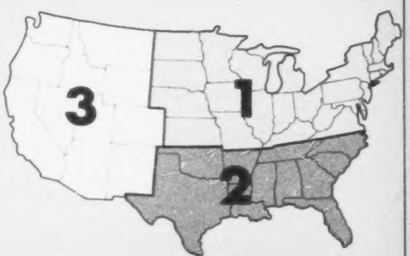
Alphabetical Cross Reference

Company Name	Rank
ARA Services	11
ARCO Oil & Gas	71
Abbott Labs	81
Aetna Life & Casualty	32
Allegheny Beverage Corp.	23
American Bakeries Co.	58
American Hoechst Corp.	94
Amoco Corp.	18
Ashland Oil, Inc.	20
Avon Products, Inc.	63
Bank of America	87
Bell & Howell Co.	89
Borg Warner Corp.	15
Brown & Williamson	91
Burlington Northern RR	40
CIGNA Corp.	69
CSX Transportation	**17**
Canteen Corp.	44
Continental Baking Co.	8
Continental Insurance	60
Control Data Corp.	72
Cox Enterprises, Inc.	49
Crawford & Co.	53
Diebold, Inc.	55
Dow Chemical USA	38
D & K Financial Corp.	5
Digital Equipment Corp.	6
Dresser Industries	36
Eastman Kodak Co.	24
Eaton Corp.	92
Economics Laboratory	73
Eli Lilly Company	74
Exxon Co. USA	25
FMC Corp.	84
Farmers Insurance Co.	61
Federal Express Corp.	1
Fireman's Fund Ins. Co.	**99**
Frito Lay, Inc.	4
GAB Business Services	75
General Electric, Maj. Apl.	30
General Foods	59
General Mills	93
Goodyear	26
Greyhound Corp.	78
Gulf & Western	**96**
Hallmark Cards, Inc.	97
Hartford Insurance	62
Hewlett-Packard Western	80
Hobart Corp.	100
Hoffman LaRoche	56
Honeywell	12
Household Finance	82
IC Industries	22
Ingersoll Rand	90
Interstate Brands	33
Johnson Controls, Inc.	41
Keebler Company	79
LDS Church	9
Liberty Mutual Ins. Co.	83
Lorillard, Inc.	98
Marathon Oil Co.	51
McDonald's Corp.	67
Merck & Co., Inc.	68
Minnesota Mining & Mfg.	13
Montgomery Ward	85
Motorola, Inc.	28
NL Industries, Inc.	95
Nabisco Brands, USA	29
PPG Industries	48
Pepsi Cola	64
Pfizer, Inc.	57
Phillips Petroleum	47
Philip Morris USA	50
Pony Express Courier Corp.	**76**
Procter & Gamble	42
Purolator Service, Inc.	43
Revlon, Inc.	54
Rollins, Inc.	31
Sears, Roebuck and Company	2
Shaklee Corp.	46
Shell Oil Co.	21
Sherwin Williams	**86**
Smith Kline & French	66
State Farm Insurance	10
Teledyne, Inc.	39
Tenneco, Inc.	19
Transamerica Corp.	77
Travelers Companies	45
Tupperware	7
USF&G Insurance	88
USX Corp.	35
Union Carbide Corp.	34
Union Pacific Systems	27
United Technologies	14
Upjohn Company	65
Van Pool Services	70
W.R. Grace	37
Westinghouse	16
Wickes Companies	**52**
Xerox	3

Note: Boldfaced companies are new to 1987's TOP 100 listing.

USED CARS

The following are average car prices ending March 18, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	Zone 1	Zone 2	Zone 3
83 AMC ALLIANCE			
Sdn 4 Dr L Series	2174	2197	2131
83 AMC CONCORD			
Sdn	2410	2434	2362
Sta Wgn	2544	2568	2493
83 BUICK SKYLARK			
Sdn Custom	2878	2907	2819
82 BUICK SKYLARK			
Sdn	2335	2358	2287
83 BUICK REGAL			
Sdn	4351	4395	4266
Cpe	4474	4521	4385
82 BUICK REGAL			
Turbo Cpe	3852	3891	3775
Cpe	3730	3767	3654
83 BUICK CENTURY			
Sdn Custom	4234	4277	4148
82 BUICK CENTURY			
Sdn Custom	3445	3481	3376
83 CADILLAC			
Cpe DeVille	6939	7008	6801
Sdn DeVille	6900	6969	6762
82 CADILLAC			
Cpe DeVille	5534	5590	5424
Sdn DeVille	5495	5550	5384
83 CHEVY			
Chvt Htchbk 4 Dr	2089	2109	2047
Camaro Cpe 8	4779	4827	4683
82 CHEVY			
Chvt Htchbk 4 Dr	1631	1649	1598
Camaro Cpe 8	4061	4103	3981
83 CHEVY CELEBRITY			
Sdn	3655	3693	3582
82 CHEVY CELEBRITY			
Sdn	2958	2987	2899
83 CHEVY CAVALIER			
Sdn	2924	2955	2865
82 CHEVY CAVALIER			
Sdn	2136	2158	2094
83 CHEVY CITATION			
Cpe 6	2199	2222	2156
82 CHEVY CITATION			
Cpe 6	1670	1687	1636
83 CHEVY MALIBU			
Clas Sdn	3338	3370	3270
Clas Sta Wgn	3475	3511	3406
82 CHEVY MALIBU			
Clas Sdn	2736	2764	2681
Clas Sta Wgn	2856	2885	2800
83 CHEVY MONTE CARLO			
Cpe	4419	4464	4330
82 CHEVY MONTE CARLO			
Cpe	3526	3561	3456
83 CHEVY IMPALA			
Sdn	3937	3976	3858
82 CHEVY IMPALA			
Sdn	3013	3042	2952
Wgn 9	3130	3162	3068
83 CHEVY CAPRICE			
Sdn	4476	4520	4386
Sta Wgn	4631	4678	4539
83 CHRYSLER			
E-Class Sdn	3671	3708	3597
82 CHRYSLER			
New Yorker Sdn	4389	4435	4302
83 DODGE OMNI			
4 Dr Cust	2384	2409	2336
82 DODGE OMNI			
4 Dr Cust	1788	1806	1752
83 DODGE ARIES			
Cpe	2404	2428	2356
82 DODGE ARIES			
Sdn	1816	1834	1781
83 DODGE DIPLOMAT			
Sln Sdn	2948	2977	2889
82 DODGE DIPLOMAT			
Sln Sdn	2333	2357	2287
83 FORD FAIRMONT			
Futura 6-Cyl Sdn 4 Dr	2539	2565	2488
82 FORD FAIRMONT			
Futura Sdn 4 Dr	1968	1988	1930
83 FORD MUSTANG			
L-Cpe 4	3452	3486	3381
82 FORD MUSTANG			
L-Cpe 4	2668	2695	2615
83 FORD LTD			
Sdn	2942	2973	2885
82 FORD LTD			
Sdn	3049	3080	2989
83 FORD ESCORT			
Htchbk 4 Dr	2310	2333	2263
83 FORD CROWN VIC			
Sdn	5119	5170	5015
82 FORD CROWN VIC			
Sdn	3612	3648	3539
83 FORD THUNDERBIRD			
Cpe	4661	4708	4569
82 FORD THUNDERBIRD			
Cpe	3465	3500	3395
83 LINCOLN CONTINENTAL			
Sdn	9065	9156	8884
Mark VI Cpe	9188	9280	9005
82 LINCOLN CONTINENTAL			
Sdn	7156	7227	7012
Mark VI Cpe	7336	7410	7189
83 MERCURY COUGAR			
Cpe	4742	4788	4648
82 MERCURY COUGAR			
GS Cpe	2412	2435	2363
83 MERCURY LYNX			
HtchBk 2-Dr	2282	2303	2236
83 MERCURY MARQUIS			
Sdn	2979	3008	2917
82 MERCURY MARQUIS			
Sdn	3358	3392	3291
Wgn-2S	3462	3496	3393
83 OLDS CIERA LS			
Cpe	4173	4215	4089
Sdn	4227	4270	4142
83 OLDS CUTLASS SUPREME			
Cpe	4736	4782	4642
Sdn	4604	4650	4512
82 OLDS CUTLASS SUPREME			
Sdn	3779	3817	3704
Cpe	3926	3966	3848
83 OLDS DELTA 88			
Sdn	4468	4512	4378
82 OLDS DELTA 88			
Sdn	3272	3304	3206
83 OLDS DELTA 98			
Sdn	6164	6225	6040
82 OLDS DELTA 98			
Sdn	4833	4883	4737
83 OLDS OMEGA			
Sdn	2878	2907	2819
82 OLDS OMEGA			
Sdn	2335	2358	2287
83 OLDS FIRENZA			
Sdn	3284	3317	3217
82 OLDS FIRENZA			
Sdn	2605	2630	2552
83 PLYMOUTH HORIZON			
4 Dr Htchbk	2329	2353	2282
83 PLYMOUTH RELIANT			
Cpe	2412	2435	2364
82 PLYMOUTH RELIANT			
Cpe	1802	1820	1766
83 PONTIAC FIREBIRD			
Cpe 8	4806	4855	4709
83 PONTIAC 6000			
Cpe	3843	3881	3766
Sdn	3892	3931	3815
82 PONTIAC 6000			
Cpe	3155	3186	3092
83 PONTIAC GRAND PRIX			
Cpe	4559	4605	4468
83 VOLKSWAGEN JETTA			
4 Dr Sdn	3916	3955	3838
82 VOLKSWAGEN JETTA			
4 Dr Sdn	3140	3171	3077
83 VOLKSWAGEN L SERIES			
2 Dr Htchbk	2823	2852	2767
82 VOLKSWAGEN RABBIT			
2 Dr Htchbk	2082	2103	2041
83 DATSUN			
Sentra 2 Dr Std Sdn	2206	2229	2163
Stanza Hbk 4 Dr Dlx	3118	3149	3056
82 DATSUN			
210 Std 2 Dr	1582	1598	1551
Sentra 2 Dr	1792	1810	1756
Stanza Hbk 4 Dr Dlx	2439	2464	2391
83 TOYOTA			
Corolla Sedan 2 Dr	2971	3000	2911
Celica St	4253	4296	4168
Camry Sedan	4829	4878	4733
82 TOYOTA			
Corolla 2 Dr Sdn	2270	2292	2224
Celica St Cpe	3350	3383	3283

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Selma, AL	106.4	90.9
Flagstaff, AZ	129.9	100..9
San Jose, CA	116.6	88.2
New Haven, CT	107.4	95.4
Washington, D.C.	131.4	90.9
Tampa, FL	137.7	93.2
Atlanta, GA	113.9	81.7
Honolulu, HI	154.8	119.5
Chicago, IL	123.8	95.1
Hutchinson, KS	104.9	81.2
Worchester, MA	102.9	78.9
Minneapolis, MN	129.4	90.9
New York, NY	97.2	86.9
Tulsa, OK	95.0	74.2
Olympia, WA	121.9	87.4

Survey conducted during the first five working days of March 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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1987 VOL. 26 SUPPLEMENT

automotive FLEET

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Influencing the management of [illegible],564,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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business publication audit, inc. BPA

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1. statistics

Fleet Figures by Type and Size as of 1/1/87

CARS

Type of Fleet	Leased	Company-Owned	Employee-Owned	Total
Businesses with 25 or More Cars	2,050,000	260,000	420,000	**2,730,000**
Businesses with 10 to 24 Cars	320,000	155,000	325,000	**800,000**
Other				
Government (Federal, state, county, and local.)	85,000	450,000	—	**535,000**
Utilities	45,000	500,000	—	**545,000**
Police	5,000	233,000	—	**238,000**
Taxi	18,000	125,000	—	**143,000**
Daily Rental	80,000	710,000	—	**790,000**
Fleet Total	**2,603,000**	**2,433,000**	**745,000**	**5,781,000**
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	1,975,000	—	—	1,975,000
INDUSTRY TOTAL	**4,578,000**	**2,433,000**	**745,000**	**7,756,000**

LIGHT TRUCKS — CLASS I, II, AND III

Type of Fleet	Leased	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, construction, plumbing, heating, food distribution, pest control, cable TV, etc.)	630,000	255,000	**885,000**
Businesses with 10 to 24 Light Trucks	175,000	82,000	**257,000**
Utilities	55,000	500,000	**555,000**
Government (Federal, states, county, and local.)	48,000	205,000	**253,000**
Other (Police, taxi, daily rental, etc.)	5,000	45,000	**50,000**
TOTAL	**913,000**	**1,087,000**	**2,000,000**

Fleet Registrations By Month And Year

Totals include all fleets of 10 or more units.

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986[1]
JAN	111,651	117,455	136,778	117,135	110,666	93,700	100,500	141,669	158,782	181,524
FEB	103,849	117,726	118,112	97,789	100,205	78,300	91,200	142,006	142,643	162,615
MAR	102,672	124,982	127,114	118,773	108,836	84,500	105,800	136,526	162,472	164,697
APR	116,813	125,334	127,626	113,690	102,059	96,900	93,800	142,199	146,644	156,141
MAY	122,224	128,161	129,908	105,421	113,894	104,800	100,800	139,114	145,063	155,968
JUN	134,231	143,766	126,107	104,894	124,838	117,700	137,200	156,445	163,165	194,567
JUL	96,991	126,709	112,889	83,827	94,546	95,700	101,400	131,377	129,988	151,395
AUG	78,737	98,608	82,593	65,761	70,411	66,800	84,300	100,845	206,597	108,112
SEP	65,181	72,024	37,708	58,540	80,102	65,900	88,600	123,995	132,383	90,078
OCT	102,549	117,804	96,414	82,576	82,802	81,400	111,100	133,247	156,727	122,717
NOV	133,812	148,787	104,463	128,626	111,798	110,900	136,700	153,865	169,024	165,194
DEC	175,642	183,453	160,894	160,800	117,100	138,600	150,000	136,481	196,497	187,000[2]
Total	**1,344,352**	**1,504,809**	**1,360,606**	**1,237,832**	**1,217,257**	**1,135,200**	**1,301,400**	**1,637,769**	**1,909,985**	**1,840,008**

[1] Includes all government registrations
[2] December estimated

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Circle 106 on Inquiry Card

New Fleet Vehicles Registered

CARS On all accounts buying 10 or more new units each year. In Thousands

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986[2]
Renting/Leasing	962	1,117	1,030	887	895	841	1,014	1,251	1,590	1,558
Commercial	205	216	211	207	215	185	194	217	206	168
R/L + Commercial	1,167	1,333	1,241	1,094	1,110	1,026	1,208	1,468	1,796	1,726
Government[1]	98	99	89	83	73	71	66	79	79	79
TOTAL	**1,265**	**1,432**	**1,330**	**1,177**	**1,183**	**1,097**	**1,274**	**1,547**	**1,875**	**1,805**

TRUCKS On all accounts buying 10 or more new units each year. In Thousands

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986[2]
Renting/Leasing	204	242	226	181	150	150	160	281	435	411
Commercial	200	231	246	199	182	147	144	207	225	201
R/L + Commercial	404	473	472	380	332	297	304	488	660	612
Government[1]	73	80	86	88	70	67	66	78	95	102
TOTAL	**477**	**553**	**558**	**468**	**402**	**364**	**370**	**566**	**755**	**714**

[1] Excludes Federal Government

[2] Month of December registrations are estimated.

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Circle 107 on Inquiry Card

U.S. Cars In Fleets By Type Of Business

TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	**1977**	**1978**	**1979**	**1980**	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**
Salesman Owned	353	350	348	345	341	340	340	344	348	420
Company Owned	195	208	215	222	226	228	224	232	226	260
Leased by Companies (By Types of Lease)										
Finance & Management	1,412	1,540	1,580	1,588	1,617	1,525	1,553	1,545	1,630	1,600
Partial/Full Maintenance	258	187	184	234	230	319	315	3[illegible]	352	305
Net/Fixed	133	123	121	146	139	136	134	156	168	145
TOTAL Fleet Leased	1,803	1,850	1,885	1,968	1,986	2,000*	2,060*	2,095*	2,150	2,050
Business Fleets—10-24 cars										
Owned	488	475	470	458	452	450	448	452	452	480
Leased	228	241	256	266	282	288	293	297	308	320
Individually Leased	1,385	1,610	1,690	1,708	1,713	1,645	1,653	1,657	1,800	1,975
Other Fleets										
Government	642	648	645	651	649	500	500	528	528	535
Utilities	518	523	529	532	537	530	533	540	540	545
Police	292	294	291	288	284	223	221	228	233	238
Taxi	202	205	207	205	198	141	139	140	140	143
Daily Rental	385	448	462	500	462	457	466	755*	760	790
Driver School	26	24	21	20	19	18	18	—**		
TOTAL Other Fleets	2,065	2,142	2,155	2,196	2,149	1,869	1,877	2,191	2,201	2,251
NOTE: Number of Cars in Fleets of 4 or More	10,414	10,423	10,428	10,433	10,436	10,076	10,400	10,475	10,508	10,560

Source: *Automotive Fleet* Research Department
* Adjustment with new data   ** Combined with Business Fleets

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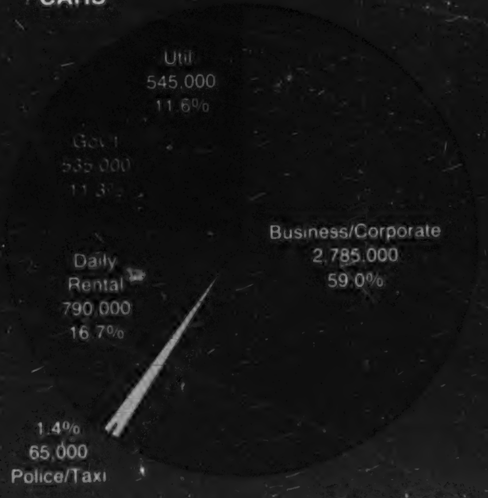
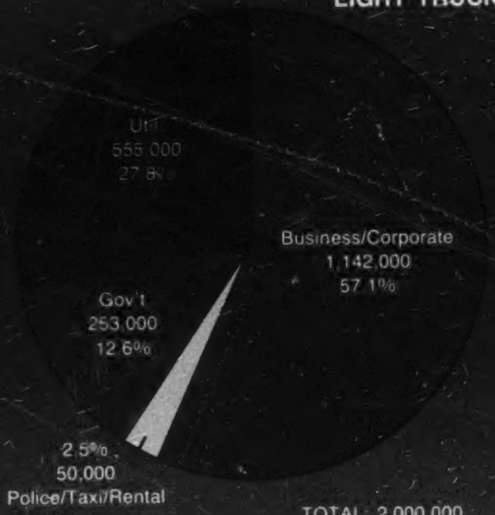
Composition Of The *Automotive Fleet*
Fleet/Leasing Market

CARS



TOTAL: 4,720,000
Avg. Annual Mileage — 27,500
Avg. Trade-In Time 30.2 mos.

LIGHT TRUCKS/VANS

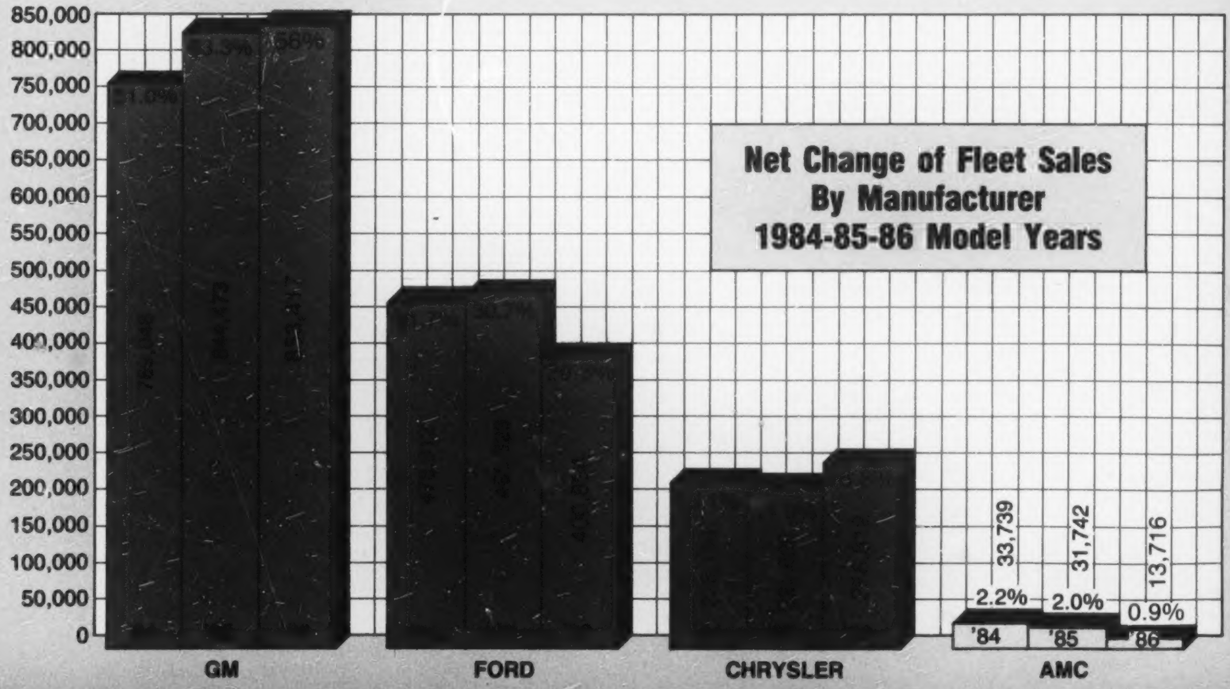


TOTAL: 2,000,000
Avg. Annual Mileage — 18,500
Avg. Trade-in Time — 60.5 mos.

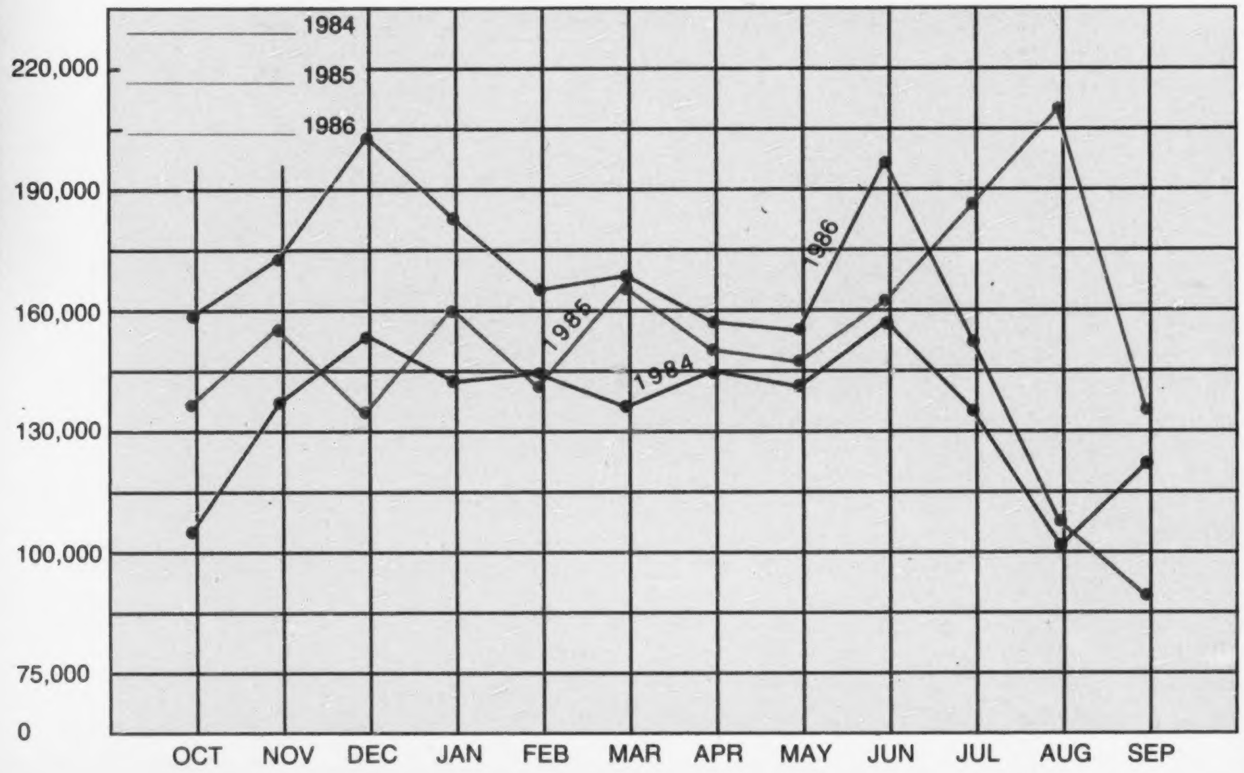
Fleet Registrations
1980-1986 Model Years

	1980	1981	1982	1983	1984	1985	1986
AMERICAN MOTORS	61,112* *5.4%*	42,022 *3.7%*	27,928 *2.7%*	30,640 *2.8%*	33,739 *2.2%*	31,742 *2.0%*	13,716 *0.9%*
BUICK	100,181 *8.8*	139,486 *12.2*	121,626 *11.9*	125,379 *11.5*	147,646 *9.8*	155,342 *9.8*	122,127 *8.0*
CADILLAC	30,691 *2.7*	23,626 *2.1*	26,301 *2.5*	30,496 *2.8*	45,408 *3.0*	41,946 *2.6*	39,540 *2.6*
CHEVROLET	285,758 *25.2*	262,572 *22.9*	214,275 *20.9*	199,391 *18.3*	284,690 *18.9*	323,540 *20.4*	334,267 *21.9*
CHRYSLER	28,631 *2.5*	20,730 *1.8*	17,415 *1.7*	26,102 *2.4*	42,545 *2.8*	47,209 *3.0*	61,035 *4.0*
DODGE	42,647 *3.7*	46,723 *4.1*	59,216 *6.0*	87,254 *8.0*	93,997 *6.2*	93,975 *5.9*	103,000 *6.8*
FORD	239,354 *21.1*	213,801 *18.7*	186,500 *18.3*	176,739 *16.2*	322,710 *21.4*	337,202 *21.3*	265,712 *17.4*
LINCOLN-MERCURY	76,871 *6.8*	97,626 *8.5*	101,914 *10.0*	113,121 *10.4*	155,302 *10.3*	148,121 *9.4*	135,182 *8.9*
OLDSMOBILE	140,478 *12.4*	165,738 *14.5*	135,478 *13.2*	158,342 *14.5*	194,320 *12.9*	189,137 *12.0*	193,510 *12.7*
PLYMOUTH	50,704 *4.5*	57,813 *5.0*	78,822 *7.1*	85,960 *7.9*	91,594 *6.1*	80,736 *5.1*	92,777 *6.1*
PONTIAC	78,842 *6.9*	74,333 *6.5*	58,366 *5.7*	56,975 *5.2*	96,984 *6.4*	134,508 *8.5*	163,973 *10.7*
DOMESTIC TOTAL *PERCENTAGE TOTAL*	1,135,269 *100%*	1,144,470 *100%*	1,027,841 *100%*	1,090,399 *100%*	1,508,935 *100%*	1,583,458 + *100%*	1,524,839 + *100%*

*Basic registration data is furnished by each manufacturer, and they may use differing bases. *Includes Jeep + Does not include Golf registrations*



Historic Fleet Registrations By Month & Model Year



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Circle 110 on Inquiry Card

1986 Model-Year Registrations

Fleet vs. Retail

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
SUBCOMPACT			
Alliance	[illegible]	[illegible]	19.5
Capri	[illegible]	[illegible]	16.6
Cavalier	[illegible]	[illegible]	29.2
Charger	[illegible]	[illegible]	3.8
Chevette	[illegible]	[illegible]	35.7
Encore	[illegible]	[illegible]	2.8
Escort/EXP	[illegible]	[illegible]	16.3
Fiero	[illegible]	[illegible]	13.8
Firenza	[illegible]	[illegible]	20.9
Horizon	[illegible]	[illegible]	13.0
Lynx	[illegible]	[illegible]	20.4
Mustang	[illegible]	[illegible]	16.0
Nova	[illegible]	[illegible]	11.6
Omni	[illegible]	[illegible]	13.6
Skyhawk	[illegible]	[illegible]	12.5
Sunbird	[illegible]	[illegible]	29.2
T-1000	[illegible]	[illegible]	29.7
Turismo	[illegible]	[illegible]	4.6
Total Subcompact	**1.706.891**	**317.012**	**18.5**
COMPACT			
Aries	[illegible]	[illegible]	35.7
Calais	[illegible]	[illegible]	20.6
Camaro	[illegible]	[illegible]	15.5
[illegible]	[illegible]	[illegible]	14.6
Daytona	[illegible]	[illegible]	6.4
Eagle	[illegible]	[illegible]	20.1
Firebird	[illegible]	[illegible]	14.9
Golf	[illegible]	[illegible]	9.5
Grand Am	[illegible]	[illegible]	28.4
Lancer	[illegible]	[illegible]	23.9
LeBaron GTS	[illegible]	[illegible]	21.2
Laser	[illegible]	[illegible]	7.3
Reliant	[illegible]	[illegible]	46.8
Shadow	[illegible]	[illegible]	38.0
Sundance	[illegible]	[illegible]	25.6
Somerset/Skylark	[illegible]	[illegible]	31.7
Tempo	[illegible]	[illegible]	28.8
Topaz	[illegible]	[illegible]	26.6
Total Compact	**1.322.028**	**332.684**	**25.2**

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
[illegible]			
[illegible]	[illegible]	[illegible]	33.0
6000	[illegible]	[illegible]	36.2
Bonneville	[illegible]	[illegible]	21.8
Caravelle	[illegible]	[illegible]	38.3
Celebrity	[illegible]	[illegible]	42.4
Century	[illegible]	[illegible]	18.5
Cougar	[illegible]	[illegible]	21.8
Cutlass Ciera	[illegible]	[illegible]	25.0
Cutlass Supreme	[illegible]	[illegible]	24.2
New Yorker	[illegible]	[illegible]	6.7
Grand Prix	[illegible]	[illegible]	12.7
LeBaron	[illegible]	[illegible]	11.6
LTD	[illegible]	[illegible]	50.0
Sable/Marquis	[illegible]	[illegible]	35.9
Monte Carlo	[illegible]	[illegible]	11.3
Regal	[illegible]	[illegible]	11.2
Taurus	[illegible]	[illegible]	38.6
Thunderbird	[illegible]	[illegible]	25.0
Total Intermediate	**2.027.264**	**543.407**	**26.8**
STANDARD			
Delta 88	[illegible]	[illegible]	9.2
Diplomat	[illegible]	[illegible]	49.3
Fifth Avenue	[illegible]	[illegible]	27.3
Gran Fury	[illegible]	[illegible]	47.2
Grand Marquis	[illegible]	[illegible]	15.4
Impala/Caprice	[illegible]	[illegible]	27.3
LeSabre	[illegible]	[illegible]	10.6
LTD Crown Victoria	[illegible]	[illegible]	39.3
Parisienne	[illegible]	[illegible]	11.1
Total Standard	**903.308**	**191.227**	**21.1**
LUXURY			
Allante	5	[illegible]	0.0
98	81,242	[illegible]	47.3
Continental/Mark VII Town Car/Merkur	[illegible]	[illegible]	20.5
Corvette	[illegible]	[illegible]	21.6
DeVille	[illegible]	[illegible]	20.1
Eldorado	[illegible]	[illegible]	11.9
Electra	[illegible]	[illegible]	24.8
Fleetwood	[illegible]	[illegible]	10.3
Riviera	[illegible]	[illegible]	23.7
Seville/Cimarron	[illegible]	[illegible]	9.5
Toronado	[illegible]	[illegible]	10.1
Total Luxury	**657.090**	**146.895**	**22.3%**
Total Domestic	**6.616.581**	**1.531.225**	**23.1%**
Total Import	**3.148.551**	**377.466**	**11.9%**
Total Industry	**9.765.132**	**1.908.691**	**19.5%**

Note: Import share of total fleet is 19.8%
Domestic share of total fleet is 80.2%

LEASING & RENTAL: Past Growth & Future Projections

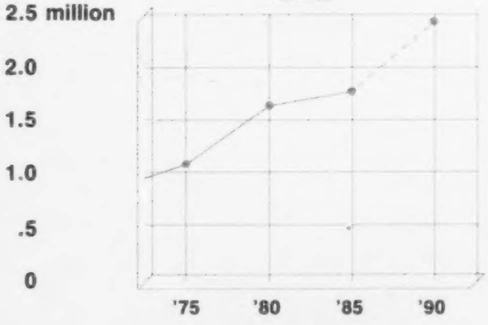
(12/31/85)

LEASED SEGMENT	**1975**		**1980**		**1985**		**1990 (est.)**	
	Units	**$ Rev.**	**Units**	**$ Rev.**	**Units**	**$ Rev.**	**Units**	**$ Rev.**
(000) Millions	(000)	Millions	(000)	Millions	(000)	Millions	000	Millions
Business Fleets 25+	1,666		1,968		2,150		2,300	
Other* Incl. Bus. Flts. 4-24	512		524		550		600	
Retail or Individual	1,072		1,708		1,800		2,400	
Total Cars Fleet Leased	**3,250**	**$9,100**	**4,200**	**$18,900**	**4,500**	**$27,450**	**5,300**	**$38,000**
Truck Leasing	735	$4,200	800	$7,300	878	$10,000	920	$12,000
TOTAL VEHICLE LEASING	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,374**	**$37,450**	**6,220**	**$50,000**
RENTAL SEGMENT								
Car Rental	355	$1,400	500	$3,100	760	$6,000	800	$7,600
Truck Rental (all G.V.W.s)	160	$1,000	175	$2,300	200	$3,400	230	$4,600
TOTAL VEHICLE RENTAL	**515**	**$2,400**	**675**	**$5,400**	**960**	**$9,400**	**1,030**	**$12,200**

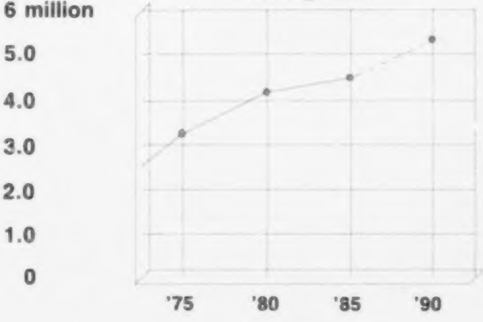
Other includes all 50+% non-personal use regardless of registration

Source: Automotive Fleet Research Dept. —© Copyrighted 1986

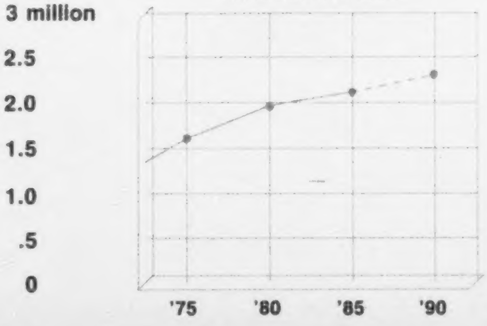
Retail Leasing Units



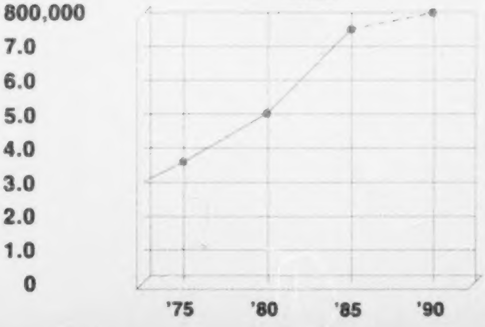
All Vehicles Leasing Units



Business Fleets Leased 25 or More Units



Daily Rental Units



U.S. Light Truck Statistics

New 1978 to 1986 Light Truck Registrations Reported National and Fleet Totals — class I, II & III

Source: Automotive Fleet *Research Dept.*

DOMESTIC

MAKE	1978	1979	1980	1981	1982	1983	1984	1985	1ST 8 MOS. 1986* CYTD	ESTIMATED 1986 CY TOTAL
Total	3,518,374	4,065,190	2,749,051	1,926,887	2,237,843	2,799,636	3,793,798	4,391,588	2,965,781	4,041,000
Fleet	351,926	558,430	435,910	294,475	317,017	294,633	455,742	670,801	446,985	657,100
% Fleet	*10.0*	*13.7*	*15.8*	*15.3*	*14.2*	*10.5*	*8.3*	*15.3*	*15.1*	*16.3*
CHEVY	1,233,932	1,832,454	1,114,847	619,997	726,358	891,125	1,072,231	1,209,012	798,770	1,216,000
	123,369	156,170	117,983	94,289	97,514	90,688	133,969	174,500	121,289	179,500
	9.99	*8.52*	*10.58*	*15.2*	*13.4*	*10.2*	*12.5*	*14.4*	*15.2*	*14.8*
FORD	1,219,693	1,185,000	795,000	648,804	689,941	905,846	1,111,832	1,189,053	848,985	1,267,000
	124,823	284,000	206,700	116,979	101,471	106,263	142,163	220,308	142,571	212,800
	10.23	*24.00*	*26.00*	*18.00*	*14.7*	*11.7*	*12.8*	*18.5*	*16.8*	*16.8*
GMC	283,540	236,750	141,744	128,615	186,257	224,718	268,858	305,379	197,894	272,000
	27,552	30,591	23,498	21,531	23,772	23,244	37,685	41,594	30,994	39,500
	9.72	*12.92*	*16.57*	*16.7*	*12.8*	*10.3*	*14.0*	*13.6*	*15.6*	*14.5*
DODGE &	396,268	400,945	347,138	181,308	228,232	263,687	503,967	606,388	366,156	575,000
PLYMOUTH	41,603	48,794	52,731	29,930	29,078	28,491	53,727	112,677	52,081	92,000
	10.50	*12.16*	*15.90*	*16.50*	*12.7*	*10.8*	*10.7*	*18.6*	*14.2*	*16.0*
AMC/JEEP	161,912	140,431	77,852	58,257	62,097	76,453	148,040	181,939	87,483	199,000
	21,979	20,875	11,498	3,246	3,816	1,947	5,971	18,222	9,470	21,900
	13.57	*14.86*	*14.76*	*5.60*	*6.1*	*2.5*	*4.0*	*10.0*	*10.8*	*11.0*
OTHER	210,274	258,017	294,529	317,250	344,958	437,797	687,074	103,500	88,650	111,400
Incl. VW, Imports, etc.	12,600	18,000	23,500	28,500	34,500	44,000	75,500	784,013	678,412	902,915
	6.0	*7.0*	*8.0*	*9.0*	*10.0*	*10.0*	*11.0*	*13.2*	*13.1*	*12.3*

IMPORTS

MAKE	1979	1980	1981	1982	1983	1984	1985	1ST 9 MOS. 1986 CYTD	ESTIMATED 1986 CY TOTAL
TOYOTA									
Total	130,648	131,648	130,379	143,439	170,000	244,072	327,989	290,878	380,000
Fleet	4,620	14,624	9,413	10,936	23,387	41,860	61,517	54,462	65,000
% Fleet	*3.53*	*11.1*	*7.2*	*7.6*	*13.8*	*17.2*	*18.8*	*18.7*	*17.1*
NISSAN	104,866	113,242	119,684	106,440	132,088	194,414	256,313	199,361	265,815
	6,046	8,045	6,184	13,430	12,073	19,491	23,156	17,942*	24,455
	5.76	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*9.0*	*8.9*	*9.2*
MAZDA	8,302	8,775	16,798	40,661	75,751	118,368	114,614	118,438	159,000
				2,192	5,747	6,610	6,544	6,893	9,200
				5.3	*7.5*	*5.6*	*5.7*	*5.8*	*5.8*
AMERICAN ISUZU			9,959	17,669	26,211	37,443	52,305	41,222	55,000
					2,175	9,602	7,984	6,346	8,415
					8.3	*25.6*	*15.3*	*15.4*	*15.3*
MITSUBISHI				931	9,222	14,943	27,100	23,882	36,000
IVECO				2,563	2,800	2,457	3,166	1,548	2,100
ISUZU TRUCK (Class III)						—	2,526	3,083	5,000

*Estimated

Tracking the Top 10 Lessors

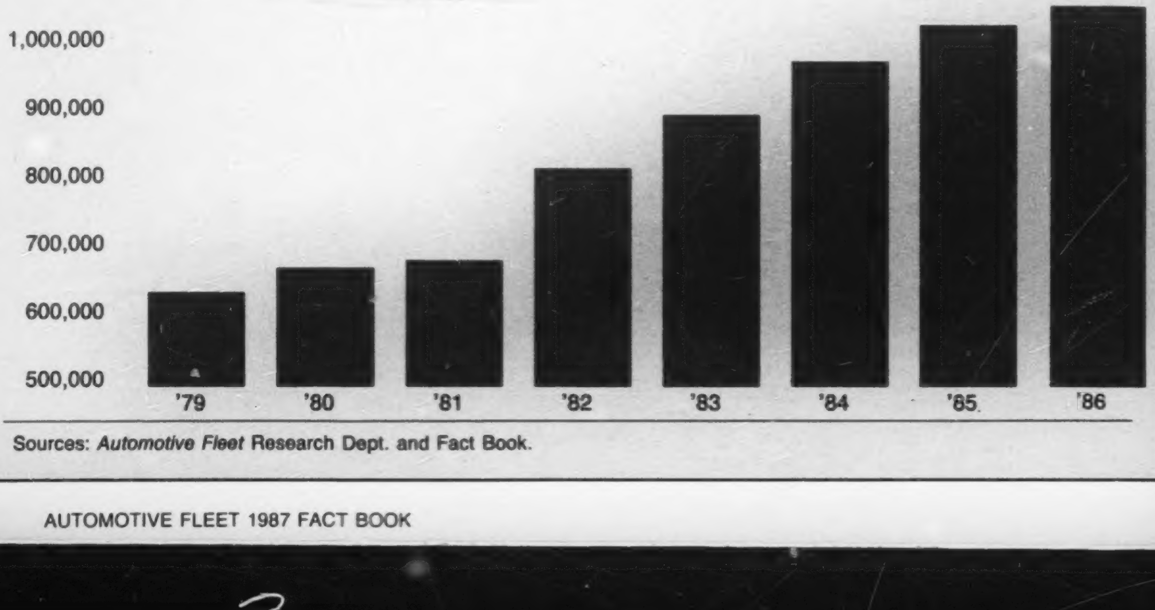
Total Vehicles/Year

Lessor	'79	'80	'81	'82	'83	'84	'85	'86
PHH (Avis***)	160,000 (42,000)	175,000 (43,000)	185,000 (44,000)	200,000 (44,500)	200,000 (44,500)	200,000 (47,000)	225,000 (48,000)	275,000
Gelco	170,000	170,000	215,000	215,000	235,000	267,000	268,000	270,000
Wheels	65,000	70,000	70,000	70,000	70,000	80,000	90,000	100,000
Dart-Kraft (Leaseway)	21,500	30,000	40,000	46,000	80,000	80,000	84,000*	100,000
McCullagh	55,000	55,000	75,000	75,000	75,000	80,000	80,000	80,000
ARI	30,000	30,000	35,000	35,000	50,000	65,000	65,000	70,000
Lend Lease	22,500	22,500	32,500	37,500	42,500	50,000	60,000	58,000
Hertz	35,000	40,000	45,000	45,000	50,000	55,000	55,000	**
U.S. Fleet	30,000	30,000	35,000	45,000	45,000	50,000	50,000	68,000
Gecal								143,000
Top 10 Total	**631,000**	**665,500**	**776,500**	**813,000**	**893,000**	**974,000**	**1,025,000**	**1,164,000**

* Purchased by Dart-Kraft in '85 ** Purchased by USFL in '86 *** Purchased by PHH in '86

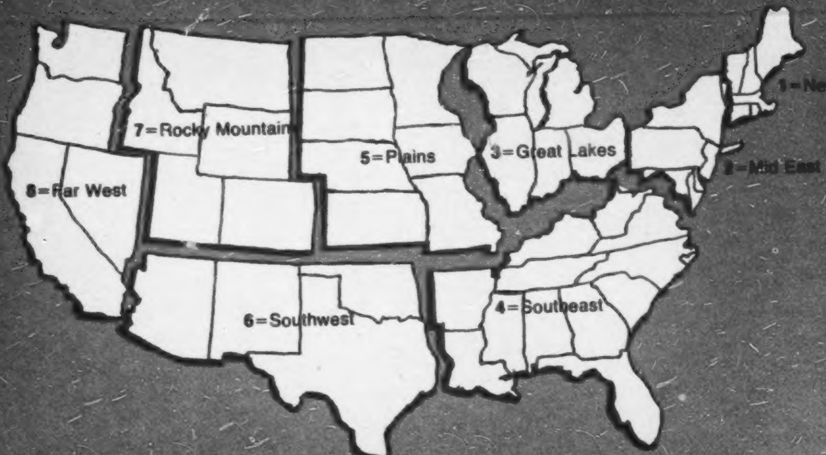
The "Big" Get "Bigger"

Number of Vehicles Among Top 10 Lessors



Sources: *Automotive Fleet* Research Dept. and Fact Book.

Fleet-Car Operating Costs by Region



Regional Code	Running Expenses ¢/mile	Standing Expenses $/month
1	6.84	336.23
2	7.55	345.94
3	6.37	339.63
4	6.71	341.91
5	6.14	335.31
6	6.57	325.03
7	7.44	338.66
8	7.32	341.60
USA	**6.83**	**340.06**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as interest, insurance, and license fees. Data covers leased cars and company-owned cars, from November 1986 U.S. Corporate Fleet Performance Report. Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

NAFA Personal-Use and Used-Car Data

Reimbursement For Use Of Personal Car

No Assigned Fleet Car
(Mileage Only)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15 cents or less	1%	2%	2%	1%	1%
16-19 cents	13%	15%	11%	10%	5%
20 cents	68%	69%	72%	56%	42%
20.5 cents	*	*	*	22%	22%
21-24 cents	17%	10%	12%	10%	28%
25 cents or more	*	4%	3%	1%	2%

(*Not broken out in those surveys — included in "more than 20 cents a mile" category.)

Reimbursement For Use Of Personal Car

Assigned Fleet Car Not in Service
(Mileage Only)
U.S. Commercial Fleets Only

Amount	1981	1982	1983	1984	1985
15 cents or less	3%	5%	2%	1%	2%
16-19 cents	15%	13%	9%	8%	5%
20 cents	66%	68%	73%	56%	42%
20.5 cents	*	*	*	23%	23%
21-24 cents	17%	11%	14%	9%	26%
25 cents or more	*	3%	3%	3%	2%

(*Not computed in those surveys — included in "more than 20 cents a mile" category.)

Composite Commercial Fleet

(Based on Average Commercial Fleet Responses)

Fleet Size	850
Cars Sold in 1985	232
Model Year of Cars Sold	
1981 or older	9
1982	60
1983	90
1984	35
1985	7
Unspecified	31
Marketing Methods	
Consigned to Auto Auction	68
Sold to Employee	65
Sold to Wholesalers	16
Traded to New Car Dealers	8
Sold to Used Car Dealers	55
Unspecified	20

Note: This composite data should be used with great care. These figures are compiled for year-to-year comparison only, and do not represent the used car marketing practices of any fleet.

U.S. Commercial Fleets Summary

Total Cars in Survey	
All U.S. Commercial Fleets (221)	187,952
Mostly Leased U.S. Commercial Fleets (101)	110,645
Mostly Company-owned U.S. Commercial Fleets (120)	77,307
Average Months in Service	
All U.S. Commercial Fleets (221)	30.2
Mostly Leased U.S. Commercial Fleets (101)	27.8
Mostly Company-owned U.S. Commercial Fleets	33.5
Average Miles When Sold	
All U.S. Commercial Fleets (221)	61,029
Mostly Leased U.S. Commercial Fleets (101)	59,496
Mostly Company-owned U.S. Commercial Fleets (120)	63,073

Top 30 Banks
In Vehicle Leasing

Bank	Location	Leases in Portfolio at End of 1986	1985	1984
1. Security Pacific Credit Corp.	Woodland Hills, CA	60,000	53,218	41,496
2. First Interstate Bank of California	Cerritos, CA	41,685	38,797	29,712
3. Key Bank	Albany, NY	41,000	38,000	32,000
4. Wells Fargo Bank	Oakland, CA	39,442	34,164	28,997
5. Marine Midland Bank	Buffalo, NY	38,000	14,000	9,000
6. BancOne	Columbus, OH	34,271	32,246	24,794
7. Fidelity-LeaseCar	Wayne, PA	32,500	14,000	8,500
8. Manufacturers Hanover Trust-Wheelease	Hicksville, NY	29,594	23,000	15,000
9. Maryland National Bank	Baltimore, MD	19,000	15,000	15,000
10. Trust Company Bank	Atlanta, GA	18,060	11,049	5,190
11. First Pennsylvania Bank-LeaseIt	Ft. Washington, PA	17,785	18,100	16,831
12. Union Bank-Stanchart Leasing	Orange, CA	16,163	9,721	7,185
13. Huntington National Bank	Columbus, OH	15,500	11,000	5,100
14. National Bank of Detroit	Troy, MI	15,236	11,297	5,025
15. The Fifth Third Bank	Cincinnati, OH	13,242	9,761	6,293
16. National City Bank	Cleveland, OH	13,128	10,081	5,600
17. Bank of New England	Boston, MA	11,300	7,660	6,200
18. Citizens and Southern Banks in Georgia	Atlanta, GA	10,730	9,500	7,300
19. Manufacturers Bank of Detroit	Detroit, MI	9,300	7,850	5,994
20. Seafirst	Seattle, WA	8,623	4,955	5,559
21. First National Bank of Atlanta	Atlanta, GA	7,968	6,100	3,204
22. Dominion Bank	Roanoake, VA	7,650	7,600	4,011
23. Citicorp Acceptance Co., Inc.	St. Louis, MO	7,500	N/A	N/A
24. Boatmen's National Bank	St. Louis, MO	5,610	5.100	3,090
25. Valley National Bank	Phoenix, AZ	4,935	5,875	6,150
26. Hibernia Bank	Concord, CA	4,829	3,250	2,120
27. Indiana National Bank	Indianapolis, IN	4,409	3,900	4,172
28. InterFirst Bank Dallas	Dallas, TX	3,785	4,221	3,067
29. Bank of the West	San Jose, CA	1,979	3,473	4,372
30. Sanwa Bank of California (formerly Lloyds)	Monterey Park, CA	1,800	1,674	2,137

Source: Automotive Fleet *Research Department*

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Circle 115 on Inquiry C

Size and Model Cars Purchased By Major Leasing Companies 1986 vs. 1985

SIZE AND MODEL
(In Percent)

Luxury	Standard	Intermediate	Compact	Subcompact	Imports
Electra/Park Ave.	LeSabre	Regal	Eagle	Encore/Alliance	All Models
Riviera	Impala/Caprice	Century	Skylark	Skyhawk	
Coupe de Ville	Diplomat	Monte Carlo	Citation	Cavalier	
Sedan de Ville	LTD Crown Vic	Celebrity	Aries	Chevette	
Cimarron	Grand Marquis	LeBaron	Laser	Charger	
Fleetwood	Delta 88	600	Daytona	Omni	
Eldorado Cpe.	Gran Fury	LTD	Topaz	Colt	
Seville Sedan	Fifth Ave.	Thunderbird	Calais	Escort	
Continental	Parisienne	Cougar	Reliant	EXP	
Mark VII		Marquis	Camaro	Capri	
Town Car		Cutlass Sup.	LeBaron GTS	Firenza	
Olds 98		Cutlass Ciera	Tempo	Horizon	
Toronado		6000	Somerset Regal	Turismo	
Corvette		Grand Prix	Grand Am	Lynx	
Executive Sedan		Bonneville	Firebird	T1000	
Merkur XR4Ti		Caravelle	Conquest/Vista	J2000	
		New Yorker	Lancer	Fiero	
		Taurus	Golf	Mustang	
		Sable	Shadow	Sprint	
			Sundance	Spectrum	
			Omega	Nova	
				Sunbird	

COMPANY	YEAR	LUXURY	STANDARD	INTER-MEDIATE	COMPACT	SUB-COMPACT	IMPORTS
AUTOMOTIVE RENTALS, INC.	1986	2.7	10.8	69.4	9.0	5.9	2.2
	1985	2.8	11.3	63.9	15.5	5.0	1.5
AVIS CAR LEASING	1986	3.5	17.0	64.5	6.0	7.0	2.0
	1985	4.0	18.4	65.7	4.5	5.3	2.1
CFR	1986	4.1	11.2	75.3	4.0	3.4	1.8
	1985	4.7	16.0	69.3	5.9	2.6	1.5
D & K FINANCIAL	1986	1.4	10.0	69.0	15.4	3.3	0.9
	1985	2.8	10.3	66.3	15.5	4.4	0.7
GELCO	1986	2.3	9.9	60.2	19.5	6.6	1.5
	1985	2.5	9.1	55.4	24.7	7.1	1.2
LEND LEASE	1986	4.6	9.5	60.7	9.6	13.7	1.9
	1985	6.0	12.0	59.0	14.0	6.0	3.0
McCULLAGH	1986	5.5	15.6	60.8	9.6	7.5	1.0
	1985	6.8	13.9	57.2	9.3	10.5	2.3
PETERSON, HOWELL & HEATHER	1986	1.7	6.7	70.6	20.0	0.3	0.7
	1985	2.1	8.7	63.6	22.2	2.7	0.7
U.S. FLEET LEASING	1986	2.0	13.0	66.0	7.0	8.0	4.0
	1985	2.0	23.0	59.5	11.5	2.0	2.0
WHEELS	1986	1.0	7.8	78.2	10.0	2.4	0.6
	1985	1.5	11.6	71.4	12.0	2.8	0.7

AALA Fleet Costs Survey For Closed-End Leases

Comparative Analysis of Average Per Unit Per Month Costs Years 1985 and 1984

OPERATING COSTS:	1985	1984	Increase (Decrease) Amount	Increase (Decrease) Percentage	% of Total
Depreciation	$212.06	$206.05	($6.01)	(2.91%)	59.5%
Repairs and maintenance	30.03	33.40	(3.37)	(10.0)	8.4
Insurance	13.71	16.57	(2.86)	(17.26)	3.9
License tags and taxes	10.26	8.90	(1.36)	(15.28)	2.9
Interest	55.16	65.57	(10.41)	(15.90)	15.4
Delivery	1.70	1.09	(.61)	(55.96)	.5
Total Operating Costs	**$322.92**	**$331.58**	**($8.66)**	**(2.6)%**	**90.6%**
General and administrative	33.44	34.94	(1.50)	(4.29)	9.4
TOTAL COSTS	**$356.36**	**$366.52**	**($10.16)**	**(2.77%)**	**100.0%**

	1985	1984	1983	1982	1981	1980	1979	1978
Total costs per month	$356.36	$366.52	$328.13	$320.32	$306.82	$276.29	$247.98	$228.31
Avg. mos. in operation	29.5	29.9	30.2	28.1	27.3	27.4	26.6	26.3
Avg. annual mileage	—	34,923	29,770	34,646	31,894	34,591	28,952	30,609

Composition of the AALA Fleet

	Standard Models %	Intermediate Models %	Compact Models %	Air Conditioning %	Chevrolet %	Ford %	Lincoln/ Mercury %	Chrysler %	Pontiac %	Oldsmobile %	Buick %	Cadillac %	Others %	%Chevy, Ford & Chrysler/Plym.
Averages—1985	35	45	20	—	21	14	9	4	5	11	8	1	27	39
Averages—1984	19	57	24	96	26	13	3	6	5	13	18	1	15	45
Averages—1983	23	53	24	96	31	12	*	6	7	20	10	2	12	49
Averages—1982	23	51	26	94	32	11	*	5	8	18	12	3	11	49
Averages—1981	23	51	26	96	32	15	*	2	5	18	13	3	12	49
Averages—1980	32	48	20	96	40	15	*	1	6	14	9	2	13	56
Averages—1979	45	43	12	98	42	20	*	2	6	8	7	3	12	64
Averages—1978	48	44	8	93	44	16	*	3	4	9	4	6	14	63

Used-Car Disposition

	RECONDITIONING		DISPOSITION					
	% of AALA Members Doing Recon.	Average Amount	New Car Dealer Sales	New Car Dealer Trades	Used Car Dealers	Auctions	Lessee Employees	Other/Retail
1985	—	—	2%	—	41%	7%	20%	30%
1984	—	—	9%	—	46%	16%	19%	10%
1983	73%	$287	6%	—	52%	10%	14%	18%
1982	66%	$224	8%	—	46%	16%	16%	14%
1981	80%	$241	6%	4%	46%	13%	16%	20%
1980	57%	$218	7%	1%	43%	20%	20%	9%
1979	60%	$185	5%	2%	51%	21%	12%	9%
1978	61%	$170	11%	1%	43%	19%	14%	12%

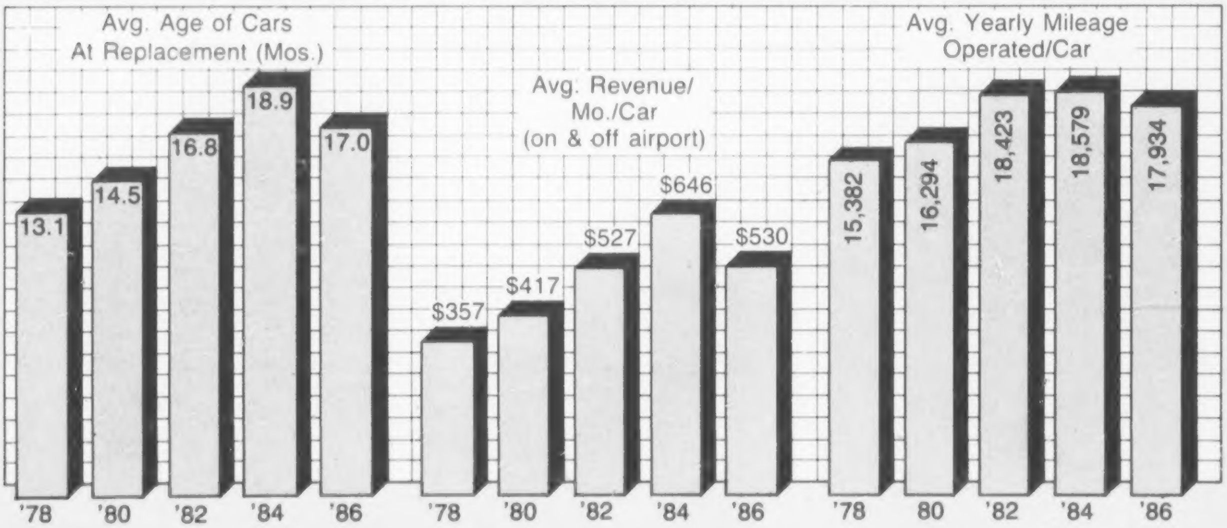
Source: AALA Survey

U.S. Daily-Rental Market Profile
1/1/87

Rank	Company	Number U.S. Cars (Incl. Licensees)	Percent On-Airport Market Share '85	Percent On-Airport Market Share '86	Estimated '86 Revenue (Million)
1.	Hertz	150,000	33%	32%	1,020
2.	Avis	125,000	25	25	850
3.	National	110,000	21	20	748
4.	Budget	100,000	16	18	650
	Total Majors "On-Airport"	**485,000**	**95%**	**95%**	**3,268**
	(Other "On-Airport")	**(50,000)**	**(5%)**		

"On-Off-Airport" Summary

5.	Alamo	40,000		200
5A.	FALS (Ford Dealers)	40,000		200
6.	Dollar	32,000		170
7.	Enterprise	30,000		150
7A.	GM Dealers (not organized)	30,000		150
8.	Thrifty	26,000		138
9.	Agency Auto	25,000		125
10.	Snappy	17,000		85
10A.	DRAC (Chrysler Dealers)	15,000		75
11.	American Int'l.	12,000		62
	Ajax, General, Value, etc. (others)	38,000		190
	Subtotal	**305,000**	**Subtotal Revenue**	**$1.545 Billion**
	TOTAL RENTAL MARKET	**790,000**		**$4.813 Billion**



Source: *Automotive Fleet* Research Department

NAFA Survey of Operating Expenses

Composite Fleet Statistics Expense Comparison 1983-1985

(Responses from fleets which do not report expenses by car class, but only as a total.)

	1983	1984	1985
OPERATING EXPENSES			
(cents per car per mile)			
Fuel	.0579	.0560	.0656
Oil	.0016	.0012	.0036
Tires & Tire Repair	.0041	.0040	.0048
Repair & Maintenance	.0157	.0151	.0192
Total Operating Expenses	.0793	.0763	.0932
INCIDENTAL EXPENSES			
(dollars per car per month)			
Licenses & Taxes	$ 9.95	$11.62	$16.69
Accident Repairs less Recoveries	8.85	8.74	11.59
Washing	4.12	4.25	5.55
Parking & Tolls	11.06	7.46	19.10
Miscellaneous	2.97	3.25	4.70
STANDING EXPENSES			
(dollars per car per month)			
Interest	*	*	$ 20.00
Leasing Service Charge	$ 72.05	$ 60.40	46.25
Depreciation Reserve	153.65	182.95	147.50
Depreciation Adjustment	− 12.38	− 23.83	− 35.00
Reconditioning	5.04	11.46	5.00
Insurance	20.96	19.03	32.03
Total Standing Expenses	$239.32	$250.01	$215.78

*This figure was included in "Leasing Service Charge" these years.

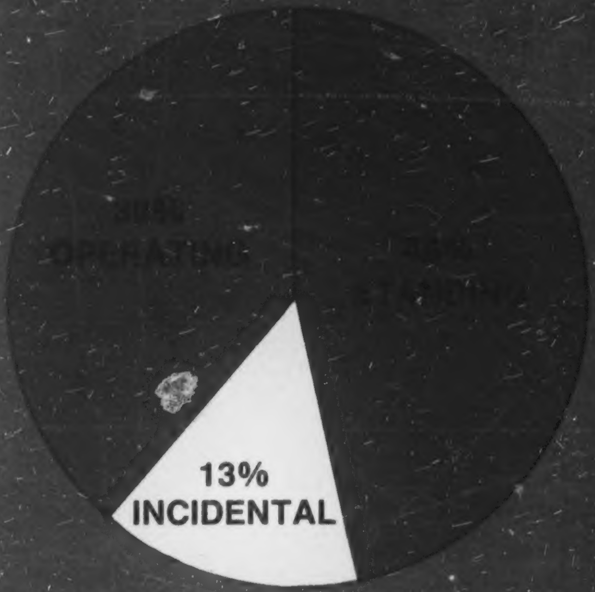
	1983	1984	1985
CREDITS			
(dollar return per car per month)			
Personal Use	$47.70	$45.42	$44.92
Extra Equipment	*	*	7.07
Total Credits	$47.70	$45.42	$51.99

*Figures not given these years.

	1983	1984	1985
NET EXPENSES			
(Incidental + Standing Expenses — Credits)	$228.77	$239.91	$221.42

Source: NAFA's annual Survey of Operating Expenses, July, 1986.

COMPOSITE FLEET BREAKDOWN OF EXPENSES



Does Not Reflect Personal Use or Equipment Credits

Compact Cars Operating Expense Comparison (Cents Per Mile) 1983-1985

	1983	1984	1985
Fuel	$.0517	$.0528	$.0475
Oil	.0017	.0014	.0021
Tire & Tire Repair	.0035	.0045	.0099
Repair & Maintenance	.0126	.0121	.0149
Total Operating Expenses	$.0695	$.0708	$.0744

Mid-Size Cars Operating Expense Comparison (Cents Per Mile) 1983-1985

	1983	1984	1985
Fuel	$.0616	$.0614	$.0565
Oil	.0016	.0018	.0015
Tires & Tire Repair	.0064	.0043	.0032
Repair & Maintenance	.0169	.0162	.0178
Total Operating Expenses	$.0865	$.0837	$.0790

3. lessors

Index of Leading Lessors

(Rentals not included)

(Data supplied by individual lessors except as indicated)

Rank	Lessor	No. Cars	No. Trucks	Total Vehicles
1.	PHH	170,000	70,000	275,000
	Avis (owned by PHH)	32,000*	3,000*	
2.	Gelco	190,000	80,000	270,000
3.	GECAL	119,500	23,500	143,000
4.	Wheels	70,000	30,000	100,000
5.	Dart-Kraft	70,000	30,000	100,000
6.	McCullagh	60,000	20,000	80,000
7.	ARI	50,000	20,000	70,000
8.	U.S. Fleet/Hertz	50,000	18,000	68,000
9.	Security Pacific	55,000	5,000	60,000
10.	Lend Lease	52,000*	6,000*	58,000
11.	Ryder	—	50,000	50,000
12.	Bankers	20,000*	20,000*	40,000
13.	LMV	22,000	11,000	33,000
14.	Kerr	22,500	13,500	36,000
15.	Donlen	25,000	5,000	30,000
16.	CFR	25,000	2,000	27,000
17.	Associates	16,000	11,000	27,000
18.	Enterprise	17,000*	3,000*	20,000
19.	Borg-Warner	16,000*	3,000*	19,000
20.	H.L.R.	13,000*	3,200*	16,200
21.	All-State	12,000	4,000	16,000
22.	Dresser	11,800	3,500	15,300
23.	Mike Albert	12,000	2,000	14,000
24.	Executive	12,000	2,000	14,000
25.	Lease Plan	10,000	2,000	12,000
26.	Auto Rental Corp.	9,500*	500*	10,000
27.	Emkay	9,000	1,000	10,000
	*Car & Truck Breakout, AF Estimate	1,171,000	460,200	1,631,500

Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

'86	'85	Company	Contact	#Lt. Trucks and Vans
1	1	Sears, Roebuck and Co. Chicago, IL	William H. Jones III	13,800
2	3	Federal Express Corp. Memphis, TX	Jim Wheeler	13,400
3	2	Frito-Lay, Inc. Dallas, TX	Thomas L. Smith	11,500
4	4	Continental Baking Co. St. Louis, MO	P.J. Walsh	8,685
5	13	Xerox Rochester, NY	Ron Pink	7,148
6	5	ARA Services Philadelphia, PA	Ralph Jamic	5,080
7	8	Purolator Service, Inc. New Hyde Park, NJ	Jack Neusch	4,500
8	—	Allegheny Beverage Corp. Cheverly, Md	Jeff Mann	4,250
9	7	Interstate Brands Corp. Kansas City, MO	David Wiseman	3,663
10	6	Union Pacific System Omaha, NE	Don Dyer	3,600
11	10	Shell Oil Co. Houston, TX	Eunice Stigall	3,395
12	11	Rollins, Inc. Atlanta, GA	Charles Huffstetler	3,370
13	11	Goodyear Akron, OH	A.P. Spencer	3,280
14	20	Canteen Corp. Chicago, IL	Mark Klein	3,200
15	22	Union Carbide Corp. Danbury, CT	Walt Dzitko	3,000
16	14	Phillips Petroleum Co. Bartlesville, OK	James I. Grillot	2,992
17	9	AMOCO Chicago, IL	Richard Swanson	2,900
18	—	General Electric Louisville, KY	Vic Miska	2,794
19	16	Westinghouse Pittsburgh, PA	Lou Dobak	2,750
20	24	Honeywell Minneapolis, MN	Connie Wesley	2,708
21	17	Burlington Northern RR St. Paul, MN	John Long	2,700
22	18	Exxon Co. U.S.A. Houston, TX	John Dewees	2,700
23	—	Ashland Petroleum Co. Ashland, KY	Bill Bloss	2,594
24	15	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	2,511
25	23	American Bakeries Charlotte, NC	R.G. Kearns	2,400

Source: *Automotive Fleet* Research Department

C1575-2A
5/11/87

a bobit publication
may 1987

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Richard A. Catino:
AF's 1987 Professional
Fleet Manager

Leasing Outlook
Top Fleet Dealers
Retail Leasing

automotive
FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

MAY 1987
VOL. 26, NO. 7

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

CONSOLIDATION

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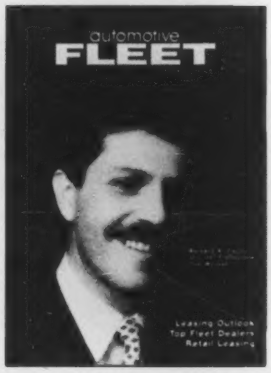

On the cover: Richard A. Catino of Digital Equipment Corp. has been voted the third winner of *Automotive Fleet's* annual Professional Fleet Manager Award. Interview, page 20.

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50 **The Top-Selling Fleet Dealers of 1986**
AF *applauds 46 fleet dealers for sales achievement.*

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The Top-Selling Fleet Dealers of 1986

On April 25, during the 19th Annual AFLA Meeting and Conference in Montreal, 45 automotive dealerships were presented the annual Fleet Dealer Award by *Automotive Fleet* magazine, honoring their outstanding 1986 fleet sales achievements.

Leading the list with the most fleet sales for 1986 was Dale Oldsmobile, Inc. of Bronx, NY, with 24,715 vehicles sold. Runner-up in second place was Wink Chevrolet of Dearborn, MI, with 17,282 vehicles sold. Together, the 46 award-winning dealerships accounted for a total of more than 228,700 vehicles, up nearly 20,000 over the 1985 figure. This represents an average of 4,972 vehicles per dealer.

The traditional fleet dealer Awards Luncheon was held Saturday, April 25, the final day of the Automotive Fleet and Leasing Association annual spring meeting. Fleet dealers and lessors and other fleet industry dignitaries were present for the awards ceremony. Instituted 10 years ago, the annual fleet dealer awards feature plaques presented to the top three winners from each of the major fleet makes.

As in the past, the automobile manufacturers lent their support to the event by notifying the magazine of the top three winners after generating the computer printouts necessary to verifying dealer sales figures. Recognized for the first time this year were Mitsubishi fleet dealers.

These 46 dealers represent the best in sales achievement in today's fast-paced market. *Automotive Fleet* salutes them and applauds their efforts. AF

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DEALER AWARDS FOR 1985

Chevrolet	Bill Wink	Wink Chevrolet	Dearborn, MI	17,282
	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	10,722
	Jack Sayer	Z Frank Chevrolet	Chicago, IL	9,000
Buick	Ceil Jacobson	Stillman & Hoag Buick	Englewood, NJ	4,371
	Ken Carlson	Orange Buick Company	Orlando, FL	4,360
	Ed Polito	William Lehman Buick	Miami, FL	3,520
Olds	Mark Rosenstock	Dale Oldsmobile, Inc.	Bronx, NY	24,715
	Bill Monahan	Jim Lupient Oldsmobile	Golden Valley, MN	7,151
	Don Fenton	Larry Faul Oldsmobile	Schaumburg, IL	6,867
Pontiac	Stanley Penn	Penn Pontiac, Inc.	Baltimore, MD	10,189
	Stephen Barberino	Stephen Pontiac/Cad., Inc.	Bristol, CT	9,940
	John McNally	J.M. Pontiac, Inc.	Hollywood, FL	7,962
Cadillac	Jack Evans	Bayview Cadillac	Ft. Lauderdale, FL	4,480
	Evelyn DeMarco	Polkowitz Motors	Perth Amboy, NJ	3,335
	Manuel Escoto	Prospect Motors	Jackson, CA	1,302
Ford	Craig Kapson	Jordan Ford*	Mishawaka, IN	15,375
	Bob Karlin	Santa Monica Ford	Santa Monica, CA	9,067
	Milo Matick	Al Piemonte Ford	Melrose Park, IL	6,879
	Jim Piccoli	Pacifico Ford	Philadelphia, PA	6,070
	*Chassis pool distributor			
Lincoln/Mercury	Lloyd Brocket	Central Florida Motors	Orlando, FL	3,202
	Jeff Hart	Pompano Lincoln-Mercury	Pompano, FL	2,555
	Allen R. Brooks	Northgate Lincoln-Mercury	Tampa, FL	1,922
Chrysler/Plymouth	Ginger Bower	South Bay Chrysler/Ply., Inc.	Torrance, CA	6,588
	Jim Wallace	Galeana Chrysler/Ply., Inc.	Ft. Myers, FL	5,609
	Jerry Ulm	Precision C-P-D, Inc.	Winter Haven, FL	3,639

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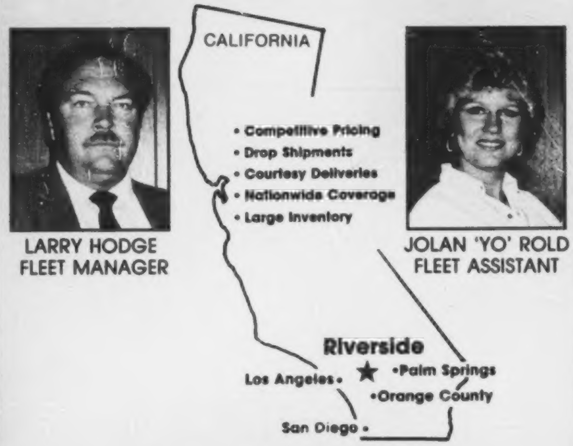

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JOLAN 'YO' ROLD
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Automotive Fleet's Dealer Awards *continued*

Dodge	Jack Taylor	Luke Potter Dodge	Winter Park, FL	7,570
	Stan Smith	Del Amo Three, Inc.	Torrance, CA	3,223
	Kevin Waldron	Glavic Motors	Wickliffe, OH	3,087
AMC	Ron Smith	Ron Smith AMC/Jeep/Renault	Merced, CA	2,051
	John Ray	E.J. Peters AMC/Jeep/Renault	Yorkville, NY	1,086
	Dave Warga	Tim Timberman, Inc.	Florence, KY	529
VW	Rick Roas	Mackey Motor Co.	Salisbury, MA	278
	Peter Liebman	Douglas Motors Corp.	Summit, NJ	206
	John Schmelz	Countryside Volkswagen	St. Paul, MN	204
Toyota	Gerald Bean	Kendall Toyota	Miami, FL	8,576
	Walter Czarnecki	Longo Toyota	El Monte, CA	6,589
	Ken Hagen	Gateway Toyota, Inc.	Toms River, NJ	5,910
Nissan	Steve Palmer	Downtown L.A. Motors	Los Angeles, CA	172
	Eddie Kenningham	Bankston Nissan	Irving, TX	99
	Larry Nichols	High Point Datsun Sales	High Point, NC	84
Amer. Isuzu	Joseph Putnam	Putnam Isuzu	Burlingame, CA	383
	Jake Sutherlin	Sutherlin Isuzu	Jacksonville, FL	265
	Gerald Bean	Isuzu of Ft. Pierce	Ft. Pierce, FL	243
Mitsubishi	Bob Delserro	Potamkin Mitsubishi	N. Plainfield, NJ	300
	Terry Ruppenthal	Fountain Mitsubishi	Orlando, FL	250
	Bill Trower	Ackerman Mitsubishi	St. Louis, MO	240
			TOTAL	208,800

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Auction Action Heats Up
Daily Rental's Future
GM Auction Program Grows

automotive
FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JUNE 1987
VOL. 26, NO. 8

Influencing the management of
4,584,000 cars and 1,970,000 light trucks
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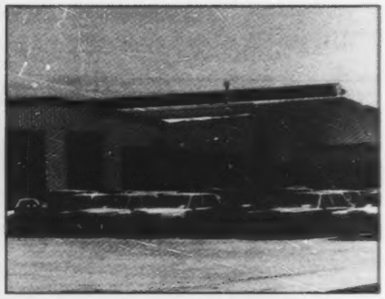

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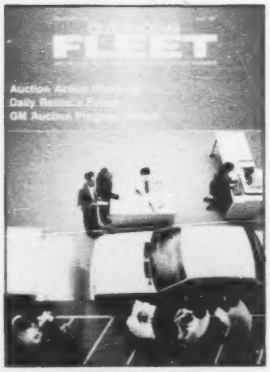

On the cover: Auto auctions today represent the leading redistribution channel for fleet vehicles. Story, page 24.

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Rate increases have boosted profitability, but what does this year augur?

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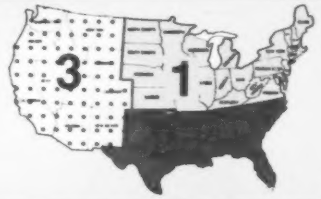
USED CARS

The following are average car prices ending May 6, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3420	3455	3351
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2718	2742	2663
85 AMC ENCORE			
Sdn 5-Dr S Series	3417	3451	3347
84 AMC ENCORE			
Sdn 5-Dr S Series	2729	2755	2673
85 BUICK SKYHAWK			
Cust Coupe	4481	4525	4394
Cust Sdn	4550	4594	4460
85 BUICK CENTURY			
Cust Sdn	5878	5937	5761
84 BUICK CENTURY			
Cust Sdn	4915	4962	4815
85 BUICK SKYLARK			
Cust Sdn	4420	4464	4332
84 BUICK SKYLARK			
Cust Sdn	3519	3556	3451
85 BUICK SOMERSET REGAL			
Coupe	6356	6420	6229
85 BUICK RIVIERA			
Coupe	10,477	10,583	10,268
84 BUICK RIVIERA			
Coupe	8774	8861	8600
85 BUICK LE SABRE			
Cust Sdn	7232	7303	7090
Cust Cpe	7232	7303	7090
85 CADILLAC DE VILLE			
Cpe	10,869	10,977	10,652
Sdn	10,869	10,977	10,652
84 CADILLAC DE VILLE			
Cpe	8334	8417	8169
Sdn	8276	8361	8113
85 CADILLAC SEVILLE			
Sdn	15,214	15,365	14,911
84 CADILLAC SEVILLE			
Sdn	12,662	12,789	12,409
85 CHEVY CHEVETTE			
Htchbk 4 Dr	3137	3166	3074
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2439	2461	2389
85 CHEVY CAMARO			
Cpe	6546	6613	6418
84 CHEVY CAMARO			
Cpe	5522	5576	5412
85 CHEVY CAVALIER			
Sdn	4355	4400	4268
84 CHEVY CAVALIER			
Sdn	3540	3575	3469
85 CHEVY CELEBRITY			
Sdn	5461	5515	5334
84 CHEVY CELEBRITY			
Sdn	4232	4275	4150
85 CHEVY CAPRICE			
Sdn	6822	6889	6686
84 CHEVY CAPRICE			
Sdn	5484	5539	5377
85 CHRYSLER LE BARON			
Cpe	5558	5614	5446
Sdn	5596	5651	5484
84 CHRYSLER LE BARON			
Cpe	4380	4423	4290
Sdn	4380	4423	4290
85 CHRYSLER FIFTH AVENUE			
Sdn	8518	8603	8346
84 CHRYSLER FIFTH AVENUE			
Sdn	7218	7291	7074
85 DODGE OMNI			
Htchbk 4 Dr	3499	3534	3430
84 DODGE OMNI			
Htchbk 4 Dr	2795	2823	2740
85 DODGE ARIES			
Sdn	4171	4214	4088
84 DODGE ARIES			
Sdn	3094	3126	3034
85 DODGE DIPLOMAT			
Sln Sdn	4713	4759	4620
84 DODGE DIPLOMAT			
Sln Sdn	3632	3666	3558
85 DODGE LANCER			
Sdn	5641	5698	5529
85 DODGE 600			
Sdn	5227	5278	5124
84 DODGE 600			
Sdn	3848	3885	3770
85 FORD ESCORT			
Htchbk 4 Dr L Series	3626	3662	3554
84 FORD ESCORT			
Htchbk 4 Dr L Series	2886	2916	2831
85 FORD MUSTANG			
LX-4 Cpe	5110	5161	5007
84 FORD MUSTANG			
L-4 Cpe	4148	4190	4066
85 FORD TEMPO			
GL Sdn 2 Dr	4307	4352	4222
GL Sdn 4 Dr	4380	4425	4291
84 FORD TEMPO			
L Sdn 2 Dr	2895	2923	2837
L Sdn 4 Dr	2951	2980	2891
85 FORD LTD			
Sdn	4698	4745	4604
84 FORD LTD			
Sdn	3478	3513	3411
85 FORD CROWN VIC			
Sdn	7742	7817	7587
84 FORD CROWN VIC			
Sdn	6259	6322	6135
85 FORD THUNDERBIRD			
Cpe	6637	6703	6504
84 FORD THUNDERBIRD			
Cpe	5476	5529	5366
85 LINCOLN CONTINENTAL			
Sdn	13,531	13,669	13,262
Town Car Sdn	12,145	12,269	11,903
Mark VII Cpe	13,173	13,303	12,908
84 LINCOLN CONTINENTAL			
Sdn	10,241	10,344	10,035
Town Car Sdn	9021	9110	8840
Mark VII Cpe	9856	9957	9660
85 MERCURY LYNX			
Htchbk 2 Dr	3446	3480	3376
84 MERCURY LYNX			
Htchbk 2 Dr	2743	2769	2685
85 MERCURY COUGAR			
Cpe LS	7346	7417	7197
84 MERCURY COUGAR			
Cpe LS	6077	6137	5955
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4521	4566	4431
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3509	3544	3439
85 MERCURY MARQUIS			
Sdn	4749	4797	4656
84 MERCURY MARQUIS			
Sdn	3526	3561	3454
85 MERCURY GRAND MARQUIS			
Sdn	8132	8214	7970
84 MERCURY GRAND MARQUIS			
Sdn	6577	6642	6445
85 OLDS FIRENZA			
Sdn	4525	4572	4438
84 OLDS FIRENZA			
Sdn	3877	3915	3799
85 OLDS CIERA			
LS Coupe	5872	5931	5756
LS Sdn	5947	6008	5827
84 OLDS CIERA			
LS Cpe	4867	4918	4770
LS Sdn	4925	4974	4826
85 OLDS CALAIS			
Cpe	6281	6343	6154
85 OLDS CUTLASS SUPREME			
Cpe	6542	6609	6414
Sdn	6380	6442	6250
84 OLDS CUTLASS SUPREME			
Cpe	5430	5484	5321
Sdn	5287	5342	5182
85 OLDS DELTA 98			
Rgcy Sdn	8807	8894	8631
84 OLDS DELTA 98			
Rgcy Sdn	7525	7602	7377
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3495	3530	3427
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2816	2843	2760
85 PLYMOUTH RELIANT			
Sdn	4171	4215	4088
84 PLYMOUTH RELIANT			
Sdn	3082	3113	3022
85 PLYMOUTH CARAVELLE			
SE Sdn	5083	5134	4982
85 PLYMOUTH GRAN FURY			
Salon Sdn	4797	4842	4702
84 PLYMOUTH GRAN FURY			
Salon Sdn	3721	3758	3646
85 PONTIAC T-1000			
Sdn	3201	3232	3137
84 PONTIAC T-1000			
Sdn	2600	2627	2548
85 PONTIAC SUNBIRD			
Sdn	4529	4575	4440
84 PONTIAC SUNBIRD			
Sdn	3706	3744	3634
85 PONTIAC 6000			
Sdn	5707	5766	5595
84 PONTIAC 6000			
Sdn	4495	4540	4406
85 PONTIAC GRAND AM			
Cpe	6235	6298	6111
85 PONTIAC FIREBIRD			
Cpe	6625	6689	6491
84 PONTIAC FIREBIRD			
Cpe	5553	5612	5444
85 PONTIAC BONNEVILLE			
Sdn	5964	6025	5844
84 PONTIAC BONNEVILLE			
Sdn	4790	4837	4697
85 PONTIAC GRAND PRIX			
Cpe	6466	6531	6338
84 PONTIAC GRAND PRIX			
Cpe	5346	5401	5239
85 PONTIAC PARISIENNE			
Sdn	6966	7033	6824
84 PONTIAC PARISIENNE			
Sdn	5604	5658	5489
85 NISSAN SENTRA			
Dlx Sdn 4 Dr	4281	4325	4197
85 NISSAN STANZA			
XE Htchbk 4 Dr	5305	5358	5198
85 NISSAN MAXIMA			
SE Sdn	8855	8944	8678
84 NISSAN SENTRA			
Dlx Sdn 4 Dr	3389	3424	3321
84 NISSAN STANZA			
XE Htchbk 4 Dr	4229	4273	4145
84 NISSAN MAXIMA			
GL Sdn	6974	7044	6835
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5199	5251	5095
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7027	7098	6886
85 TOYOTA CRESSIDA			
Sdn	9794	9891	9599
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4132	4174	4051
84 TOYOTA CAMRY			
Sdn	5772	5830	5657
84 TOYOTA CRESSIDA			
Sdn	7952	8033	7794
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	6048	6108	5926
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4524	4569	4433

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Little Rock, AR	116.4	87.9
San Francisco, CA	128.7	90.2
Denver, CO	120.9	93.0
Washington, DC	133.5	93.5
Valdosta, GA	131.4	92.2
Des Moines, IA	135.0	99.0
Louisville, KY	122.9	93.9
Royal Oak, MI	138.9	92.4
St. Louis, MO	113.1	79.7
Charlotte, NC	128.9	88.9
Albuquerque, NM	106.9	93.9
Brooklyn, NY	96.9	87.9
Bellaire, TX	123.9	83.4
Tacoma, WA	140.9	90.6
Milwaukee, WI	120.7	92.1

Survey conducted during the first five working days of May 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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july 1987

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Hertz PENSKE
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Hertz PENSKE

Hertz Penske's New Thrust

'88 Incentives

Van Conversions

Small Fleet Management

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

JULY 1987
VOL. 26, NO. 9

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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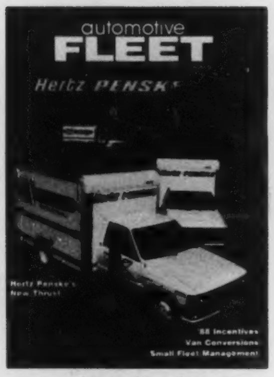

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Used Car Prices Up By 7.4 Percent in 1986

Used-car revenues rose to $96.4 billion in 1986, an increase of 11.4 percent over 1985's $86.5 billion figure, while purchase prices were up 7.4 percent, and used-car sales increased 3.7 percent over 1985 figures, according to the most recent Hertz Corp. annual poll. Motorists in the United States purchased about 16.5 million used cars, with an average age of 4.5 years, average mileage of 41,140, and average cost of $5,833, the study shows. Average age of used cars sold in 1986 was five weeks (two percent) less than in 1985.

Ownership and operating costs were also up slightly for used cars bought in 1986, rising 1.8 percent to 25.52 cents a mile from 25.07 cents in 1985 for a five-year-old compact to be driven five more years. Thus, used cars cost 47 percent less to own and operate than new cars in comparable use. A typical new 1986 compact cost 48.48 cents to own and drive the same mileage, an increase from 47.64 cents in 1985.

New car sales in 1986 totalled 11,139,842 units versus 10,888,600 sold in 1985, for an estimated aggregate value of $122.6 billion in 1986, compared to $110.7 billion in 1985. The average 1986 new car purchase price was $11,010, 89 percent higher than the $5,833 average used car price in 1985.

New and used car combined sales in 1986 totaled 27,660,000 units, up 3.8 percent from the 26,820,000 units sold in 1985, but 4.3 percent below the record 28,900,000 new and used cars sold in 1978. However, because of higher purchase prices, record revenues were set in 1986, with combined new and used car purchases aggregating $219 billion, or $7,918 per vehicle, an 11 percent increase over the 1985 aggregate of $197.2 billion, or $7,353 per unit. Used-car sales broke records in 1980, when 18.7 million sold for $70.8 billion ($3,794 per vehicle). The new-car record was set in 1973, with sales of 11.4 million for $41 billion ($3,596 per vehicle). The Hertz study reports 131,619,000 cars now operating in the U.S. About 45 percent of cars remain in service 10 years after they are built, but only five percent remain after 15 years. Each car has about three owners during its life, the study notes.

New car dealers sell the most used cars, with 45 percent of sales, while used-car-only outlets account for 11 percent of sales. The remaining 44 percent is attributable to direct sales to relatives, friends, neighbors or business associates (23 percent), and to strangers (21 percent).

California GM Hotline

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Westminster, CA 92683
(714) 892-6651

Mitch Rozinsky
Pacific Buick - GMC Truck
6909 Santa Monica Blvd.
Hollywood, CA 90038
(213) 467-3181

Gail Cooper
Thomas Cadillac
1076 W. Seventh St.
Los Angeles, CA 90057
(213) 629-4789

LaVerne Willson
Clippinger Chevrolet
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Covina, CA [illegible]
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Typical 1986 purchase prices of used compacts, depending on age and mileage, compared to new compact prices, ranged from 21 percent less expensive for a year-old car to 95 percent cheaper for a car nine years old. Savings on owning them and operating them ran from 18 to 58 percent.

1986 Ownership and Operating Costs of Typical New and Used Automobiles

(Compact Model Driven 10,000 Miles a Year for Varying Years)

ASSUMED CAR PURCHASE PRICE	1986 $10,439		$8,210		$6,121		$4,619	
Age of Car When Purchased	NEW		1-YEAR OLD		2-YEARS OLD		3-YEARS OLD	
Years Car Driven	4	10	4	9	4	8	4	7
Depreciation	0.1879	0.1023	0.1518	0.0889	0.1153	0.0739	0.0893	0.0630
Ins., Lics. & Fees	0.1328	0.1159	0.0977	0.0536	0.0878	0.0536	0.0807	0.0540
Interest	0.0723	0.0374	0.0441	0.0196	0.0329	0.0165	0.0248	0.0142
Fixed Costs subtotal	0.3930	0.2556	0.2936	0.1621	0.2360	0.1440	0.1948	0.1312
Maintenance	0.0425	0.0552	0.0496	0.0582	0.0534	0.0596	0.0583	0.0613
Gasoline & Other Serv. Stn. Charges	0.0658	0.0663	0.0660	0.0664	0.0662	0.0661	0.0663	0.0665
Variable subtotal	0.1083	0.1215	0.1156	0.1246	0.1196	0.1257	0.1246	0.1278
TOTAL FIXED & VARIABLE COSTS	0.5013	0.3771	0.4092	0.2867	0.3556	0.2697	0.3194	0.2590

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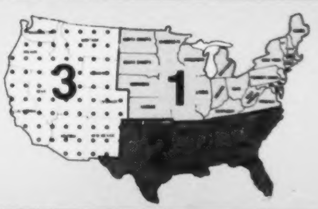
USED CARS

The following are average car prices ending June 3, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE		
	Zone 1	Zone 2	Zone 3
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3369	3404	3301
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2663	2687	2610
85 AMC ENCORE			
Sdn 5-Dr S Series	3366	3400	3297
84 AMC ENCORE			
Sdn 5-Dr S Series	2669	2695	2614
85 BUICK SKYHAWK			
Cust Coupe	4441	4484	4354
Cust Sdn	4509	4553	4420
85 BUICK CENTURY			
Cust Sdn	5905	5966	5787
84 BUICK CENTURY			
Cust Sdn	4866	4912	4767
85 BUICK SKYLARK			
Cust Sdn	4389	4433	4302
84 BUICK SKYLARK			
Cust Sdn	3494	3531	3427
85 BUICK SOMERSET REGAL			
Coupe	6343	6407	6217
85 BUICK RIVIERA			
Coupe	10,425	10,530	10,217
84 BUICK RIVIERA			
Coupe	8695	8761	8523
85 BUICK LE SABRE			
Cust Sdn	7195	7267	7054
Cust Cpe	7195	7267	7054
85 CADILLAC DE VILLE			
Cpe	10,815	10,922	10,599
Sdn	10,815	10,922	10,599
84 CADILLAC DE VILLE			
Cpe	8251	8333	8087
Sdn	8193	8278	8032
85 CADILLAC SEVILLE			
Sdn	15,032	15,181	14,732
84 CADILLAC SEVILLE			
Sdn	12,511	12,636	12,261
85 CHEVY CHEVETTE			
Htchbk 4 Dr	3074	3103	3013
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2403	2425	2353
85 CHEVY CAMARO			
Cpe	6513	6580	6386
84 CHEVY CAMARO			
Cpe	5500	5554	5390
85 CHEVY CAVALIER			
Sdn	4312	4356	4225
84 CHEVY CAVALIER			
Sdn	3487	3521	3417
85 CHEVY CELEBRITY			
Sdn	5379	5432	5274
84 CHEVY CELEBRITY			
Sdn	4169	4211	4088
85 CHEVY CAPRICE			
Sdn	6768	6834	6632
84 CHEVY CAPRICE			
Sdn	5418	5473	5312
85 CHRYSLER LE BARON			
Cpe	5497	5552	5387
Sdn	5534	5589	5424
84 CHRYSLER LE BARON			
Cpe	4362	4405	4273
Sdn	4362	4405	4273
85 CHRYSLER FIFTH AVENUE			
Sdn	8501	8586	8329
84 CHRYSLER FIFTH AVENUE			
Sdn	7182	7255	7039
85 DODGE OMNI			
Htchbk 4 Dr	3440	3474	3372
84 DODGE OMNI			
Htchbk 4 Dr	2742	2769	2688
85 DODGE ARIES			
Sdn	4116	4159	4035
84 DODGE ARIES			
Sdn	3048	3079	2989
85 DODGE DIPLOMAT			
Sln Sdn	4680	4725	4588
84 DODGE DIPLOMAT			
Sln Sdn	3606	3640	3533
85 DODGE LANCER			
Sdn	5574	5630	5462
85 DODGE 600			
Sdn	5206	5257	5103
84 DODGE 600			
Sdn	3833	3870	3755
85 FORD ESCORT			
Htchbk 4 Dr L Series	3572	3608	3501
84 FORD ESCORT			
Htchbk 4 Dr L Series	2848	2878	2795
85 FORD MUSTANG			
LX-4 Cpe	5099	5150	4997
84 FORD MUSTANG			
L-4 Cpe	4148	4190	4066
85 FORD TEMPO			
GL Sdn 2 Dr	4264	4308	4180
GL Sdn 4 Dr	4336	4381	4248
84 FORD TEMPO			
L Sdn 2 Dr	2866	2894	2809
L Sdn 4 Dr	2921	2950	2862
85 FORD LTD			
Sdn	4637	4684	4544
84 FORD LTD			
Sdn	3443	3478	3377
85 FORD CROWN VIC			
Sdn	7711	7785	7557
84 FORD CROWN VIC			
Sdn	6215	6278	6091
85 FORD THUNDERBIRD			
Cpe	6610	6676	6478
84 FORD THUNDERBIRD			
Cpe	5464	5518	5355
85 LINCOLN CONTINENTAL			
Sdn	13,423	13,560	13,156
Town Car Sdn	12,120	12,244	11,879
Mark VII Cpe	16,364	16,526	16,034
84 LINCOLN CONTINENTAL			
Sdn	10,170	10,271	9965
Town Car Sdn	9003	9091	8823
Mark VII Cpe	9837	9937	9641
85 MERCURY LYNX			
Htchbk 2 Dr	3395	3428	3325
84 MERCURY LYNX			
Htchbk 2 Dr	2708	2733	2650
85 MERCURY COUGAR			
Cpe LS	7316	7387	7168
84 MERCURY COUGAR			
Cpe LS	6064	6125	5943
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4476	4520	4387
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3474	3509	3405
85 MERCURY MARQUIS			
Sdn	4688	4735	4596
84 MERCURY MARQUIS			
Sdn	3491	3525	3419
85 MERCURY GRAND MARQUIS			
Sdn	8116	8197	7954
84 MERCURY GRAND MARQUIS			
Sdn	6557	6622	6426
85 OLDS FIRENZA			
Sdn	4484	4531	4398
84 OLDS FIRENZA			
Sdn	3830	3868	3753
85 OLDS CIERA			
LS Coupe	5825	5884	5710
LS Sdn	5899	5960	5781
84 OLDS CIERA			
LS Cpe	4818	4869	4722
LS Sdn	4876	4924	4778
85 OLDS CALAIS			
Cpe	6268	6330	6141
85 OLDS CUTLASS SUPREME			
Cpe	6509	6576	6382
Sdn	6348	6410	6219
84 OLDS CUTLASS SUPREME			
Cpe	5403	5457	5295
Sdn	5261	5316	5156
85 OLDS 98			
Rgcy Sdn	8763	8850	8587
84 OLDS 98			
Rgcy Sdn	7487	7564	7340
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3436	3470	3369
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2762	2789	2708
85 PLYMOUTH RELIANT			
Sdn	4116	4160	4035
84 PLYMOUTH RELIANT			
Sdn	3036	3066	2977
85 PLYMOUTH CARAVELLE			
SE Sdn	5033	5082	4932
85 PLYMOUTH GRAN FURY			
Salon Sdn	4763	4808	4669
84 PLYMOUTH GRAN FURY			
Salon Sdn	3695	3732	3620
85 PONTIAC T-1000			
Sdn	3137	3168	3074
84 PONTIAC T-1000			
Sdn	2561	2588	2510
85 PONTIAC SUNBIRD			
Sdn	4488	4534	4400
84 PONTIAC SUNBIRD			
Sdn	3673	3711	3602
85 PONTIAC 6000			
Sdn	5639	5696	5528
84 PONTIAC 6000			
Sdn	4455	4499	4366
85 PONTIAC GRAND AM			
Cpe	6216	6279	6092
85 PONTIAC FIREBIRD			
Cpe	6592	6655	6458
84 PONTIAC FIREBIRD			
Cpe	5531	5590	5422
85 PONTIAC BONNEVILLE			
Sdn	5892	5953	5774
84 PONTIAC BONNEVILLE			
Sdn	4732	4779	4641
85 PONTIAC GRAND PRIX			
Cpe	6414	6479	6287
84 PONTIAC GRAND PRIX			
Cpe	5319	5374	5212
85 PONTIAC PARISIENNE			
Sdn	6917	6983	6776
84 PONTIAC PARISIENNE			
Sdn	5565	5618	5450
85 NISSAN SENTRA			
Dlx Sdn 4 Dr	4195	4238	4113
85 NISSAN STANZA			
XE Htchbk 4 Dr	5305	5358	5198
85 NISSAN MAXIMA			
SE Sdn	8855	8944	8678
84 NISSAN SENTRA			
Dlx Sdn 4 Dr	3321	3356	3255
84 NISSAN STANZA			
XE Htchbk 4 Dr	4229	4273	4145
84 NISSAN MAXIMA			
GL Sdn	6939	7009	6801
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5199	5251	5095
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6957	7027	6817
85 TOYOTA CRESSIDA			
Sdn	9794	9891	9599
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4091	4132	4010
84 TOYOTA CAMRY			
Sdn	5714	5772	5600
84 TOYOTA CRESSIDA			
Sdn	7872	7953	7716
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	6048	6108	5926
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4524	4569	4433

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GAS PRICES

City	UNLEADED Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	135.9
Birmingham, AL	111.4	89.4
Globe, AZ	150.0	113.5
Oakland, CA	148.9	93.9
New London, CT	104.4	99.9
Dover, DE	106.9	88.4
Ft. Myers, FL	118.4	91.9
Chicago, IL	133.7	100.3
Minneapolis, MN	135.5	100.2
Santa Fe, NM	121.4	99.9
Niagara Falls, NY	108.9	87.9
Lancaster, PA	120.9	94.4
Houston, TX	129.2	86.3
Yakima, WA	159.9	95.9
Riverton, WY	97.4	83.9

Survey conducted during the first five working days of June 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

'88 Pull-Out Calendar

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Light Truck Roundtable

EXCLUSIVE INTERVIEW

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

AUGUST 1987
VOL. 26, NO. 10

Influencing the management of
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AUTOMOTIVE FLEET® (ISSN 0005-1519) is published 13 times a year by Bobit Publishing Company. The contents of this publication may not be reproduced either in whole or in part without consent of Bobit Publishing. Please address ALL correspondence to the Editorial and Executive Offices at 2512 Artesia Boulevard, Redondo Beach, California 90278. Subscription Prices — United States: $24 per year, $40 for two years. Canadian $32 per year, $60 for two years. International: $60 per year, $100 for two years. Single copy price — $2.00; Fact Book — $25. Number of cars operated and services must accompany the order. Second Class postage paid at Redondo Beach, California 90277-9998 and at additional entry. Postmaster: Send address changes to Automotive Fleet, 2512 Artesia Boulevard, Redondo Beach, California 90278. Bobit Publishing also publishes *Automotive Fleet, Installation News, Metro, School Bus Fleet, Limousine and Chauffeur, Contemporary Surgery, Contemporary Orthopaedics, Contemporary Ophthalmic Forum, Waterbed, Showcase, Salon Trends,* and *Yankee Trader.*

U.S. Car, Truck Operating Costs Increase

The nation's expenditures to own and operate motor vehicles hit a new high of nearly $835 billion in 1986, as Americans drove a record 1.78 trillion miles, a recent Hertz Corp. study shows. Annual per-auto expenses were up $52, or 32.26 cents a mile, and overall auto outlays rose 4.2 percent to more than $395 billion. Passenger cars in use increased to 131.6 million, and mileage per car moved to 9,304, according to the study.

Truck expenses, due to the increasing popularity of mini-vans, rose to $9,808, or 78.21 cents a mile, for a 439.6 billion total in 1986, up 10 percent over 1985 figures. This is the second year in a row that truck expenses have exceeded car expenses.

While lower fuel prices, better fuel efficiency, and reduced interest rates saved U.S. automobile drivers an average $156 last year, higher depreciation, licenses, fees, insurance, repairs, and maintenance added $207, for a $51 annual net ownership/operating expense increase. The total car and truck spending of $835 billion is up 7.1 percent over the $779 billion spent in 1985.

Since 1973, sales of larger cars dropped from 30 percent to about 10 percent last year, but subcompact sales rose from 10.7 percent to 22.4 percent, compact sales increased from nearly 17 percent to more than 23 percent, and intermediates rose from about 23 percent to more than 33 percent. Also, cars in most size classifications are a foot shorter and 1,000 lbs. lighter than in the early 1970s.

For the estimated 131.6 million cars on the road in 1986, depreciation amounted to $522 per car compared to $492 per car for 128.6 million cars in service in 1985. Fuel costs were down 20.2 percent per unit, $603 to $481, or 6.78 cents a mile to 5.17 cents. Lower prices at the pump and improved fuel efficiency contributed. Per-car interest expenses fell from $279 per year to $245 per car in 1986, or from 3.13 cents a mile in 1985 to 2.63 cents

POTENT JETTA — **Volkswagen's Jetta GLI 16V carries Volkswagen United States' most powerful engine, a DOHC 16-valve, 1.8 liter engine which develops 123 hp at 5800 rpm, giving the sedan a substantial power boost. Digital ignition with knock sensor control enables the engine to provide performance and mileage on unleaded fuel. The Jetta's EPA rating is 29 mpg, highway, and 23 mpg, city. The 16V engine is standard on the top-of-the-line GLi.**

Estimates Of 1986 New Car Ownership and Operating Costs

YEARS USE	< - SUB COMPACT - >	< ———— ' COMPACT ' ———— >				INTER-MEDIATE	STAN-DARD
		< — At CONSTANT Annual Mileages — > (in cents per mile)					
	10,000	5,000	9,304	10,000	20,000	10,000	10,000
1	0.4827	1.0451	0.6129	0.5899	0.3513	0.6616	0.7781
2	0.4606	0.9826	0.5843	0.5596	0.3364	0.6286	0.7346
3	0.4359	0.9129	0.5548	0.5628	0.3241	0.5926	0.6887
4	0.4165	0.8704	0.5293	0.5014	0.3150	0.5645	0.6532
5	0.4042	0.8328	0.5098	0.4848	0.3083	0.5464	0.6298
6	0.3791	0.7678	0.4748	0.4524	No Data	0.5109	0.5861
7	0.3601	0.7146	0.4481	0.4278	Over	0.4841	0.5528
8	0.3443	0.6736	0.4275	0.4074	100,000	0.4617	0.5251
9	0.3315	0.6384	0.4094	0.3907	Miles	0.4434	0.5025
10	0.3210	0.6121	0.3947	0.3771	—	0.4285	0.4840

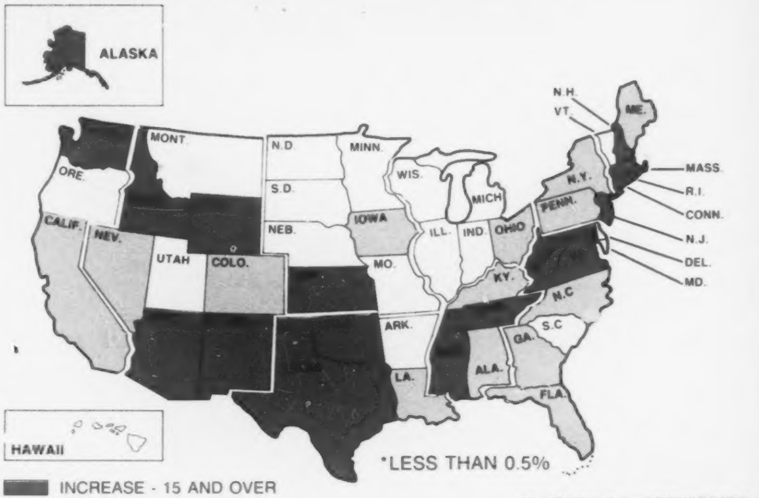
a mile.

At the same time, the nation's old, high-mileage car fleet caused an 11.2 percent increase in per-car maintenance, repairs and miscellaneous expenses, which rose from $931 or 10.5 cents per mile in 1985 to $1,035 or 11.12 cents per mile in 1986. And, insurance, licenses, and fees increased from $646 per car in 1985 to $719 per car last year, a difference of some 13 percent.

High Brake Light Is Success

Vehicles equipped with the center-mounted, or high-mounted, brake light, were 22 percent less likely to be hit from behind while braking, according to a recent NHTSA study. The additional brake light was mandated as standard equipment on autos in the 1986-model year and following.

Changes in Motor Vehicle Deaths



■ INCREASE - 15 AND OVER
▨ INCREASE - UNDER 15
☐ DECREASE OR NO CHANGE

NATIONAL ESTIMATE
2 MONTHS
3%

Traffic fatalities reported by state authorities increased three percent for the first two months of 1987 over 1986 figures, according to the National Safety Council.

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NAFA Group Hears NHTSA Views on Odometer Law

A NAFA delegation meeting with NHTSA representatives in Washington was advised that NHTSA is drafting proposed regulations to implement the "Truth in Mileage Act of 1986," which would become effective April 29, 1989. The act requires that odometer disclosures must appear on the vehicle title, not on a separate form as currently allowed; disclosure must include the mileage statement, signature and date, and a vehicle may not be licensed unless the title form used by a state is "secure" from alteration.

NHTSA indicated that there would not be a requirement that title, buyer, and seller be present at the time of transfer of ownership. However, NHTSA does plan to require that, without exception, the vehicle title must be present at time of transfer of ownership, not allowing current practices such as "title attached."

Imports get the nod for the first time, and the nation's top lessors recommend that fleet professionals consider possible autoworker strikes and fuel economy in making vehicle acquisition decisions for the 1988-model year.

Lessor Recommendations

ARI

Noting that automobile manufacturers have evolved option packaging as part of a strategy to improve quality and production, ARI recommends consideration of option packages, "even if they might contain an item not normally ordered." These packages, according to ARI, greatly enhance the build accuracy of the vehicle and, in some cases, also improve resale return. To take advantage of available option packages and help maximize eventual resale values, ARI suggests the following equipment be ordered on *all* vehicles: automatic transmission, air conditioning, power steering and brakes, AM/FM stereo radio, tinted glass, body side moldings, wheel covers, and cloth interior.

Sub Compact:
(4-Door Sedan or Hatchback when possible)

Chevrolet Cavalier
Dodge Shadow
Ford Escort
Plymouth Horizon
Pontiac Sunbird

Compact:
(4-Door Sedan or Hatchback when possible)

Chevrolet Corsica
Ford Tempo
Mercury Topaz
Oldsmobile Cutlass Calais
Pontiac Grand AM

Cruise Control, Whitewall Tires

Mid-Size
(4-Door Sedan or Hatchback when possible)

Buick Century
Chevrolet Celebrity
Chrysler LeBaron GTS
Dodge Dynasty
Dodge Lancer
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Pontiac 6000
Toyota Camry

Cruise Control, Whitewall Tires, Power Windows, Tilt Wheel

2-Door Specialty

Buick Regal
Chrysler LeBaron Coupe
Ford Thunderbird
Mercury Cougar
Oldsmobile Cutlass Supreme
Pontiac Grand Prix

Cruise Control, Whitewall Tires, Power Windows, Tilt Wheel

Full Size/Utility
(4-Door Sedan)

Chevrolet Caprice
Ford LTD Crown Victoria "S"

Cruise Control (Open Road High Mileage Vehicle), Whitewall Tires

Full Size/Management
(4-Door Sedan)

Buick LeSabre
Chevrolet Caprice Classic
Ford LTD Crown Victoria
Mercury Grand Marquis
Oldsmobile Delta 88
Pontiac Bonneville

Cruise Control, Whitewall Tires, Power Seats, Door Locks, Power Windows, Tilt Wheel

Wagon/Sub Compact/Compact

Chevrolet Cavalier
Ford Escort
Pontiac Sunbird

Wagon/Mid Size

Buick Century
Chevrolet Celebrity
Dodge Caravan
Ford Taurus
Mercury Sable
Plymouth Voyager
Pontiac 6000
Oldsmobile Cutlass Ciera
Toyota Camry

Wagon/Full Size

Chevrolet Caprice
Ford LTD Crown Victoria
Pontiac Safari

All wagons should be equipped equal to other models in their size category and should be 8-passenger where available.

AVIS

Continued realignment of models in size and weight has made the process of vehicle selection more complex during recent years, Avis says, emphasizing economy as related to vehicle weight. Avis recommends selection based on the following parameters: vehicle must be equal to the job is expected to do; vehicle must be economical to operate; vehicle must retain a high used-car value. Since surveys have shown that fuel cost and depreciation represent nearly 70 percent of the total operating cost of a vehicle, equal consideration must be given to these factors, Avis says. Avis recommends replacing vehicles before 50,000 miles and/or two model years, in either fall or spring.

VEHICLE SELECTION RECOMMENDATIONS

Vehicle Assignment	Vehicle Category	Engine	Model Level
Economy/Special	Sub-Compact	4 Cyl	Base Level
Purpose	Small	4 Cyl	Base Level
Sales/Service	Small	4, 6 Cyl	Mid Level
	Mid Size	4, 6 Cyl	Mid Level
Managerial	Mid Size	4, 6 Cyl	Top Level
	Full Size	6, 8 Cyl	Base Level
	Specialty	4, 6 Cyl	Selective
Executive			
Group I	Full Size	6, 8 Cyl	Mid Level
	Specialty	4, 6 Cyl	Selective
Group II	Full Size	6, 8 Cyl	Top Level
	Luxury	6, 8 Cyl	Top Level
	Specialty	4, 6, 8 Cyl	Top Level

NOTE: Where use dictates, select hatchback, station wagon or "mini" van/wagon which best fits passenger & cargo requirements.

RECOMMENDED EQUIPMENT BY VEHICLE ASSIGNMENT

I. ECONOMY/SPECIAL PURPOSE:

- Air Conditioning (Selective)
- Automatic Transmission (Selective)
- Power Brakes
- H.D. Suspension
- AM Radio
- Vinyl Upholstery
- Body Side Molding
- Power Steering
- Rear Defogger where required

II. SALES/SERVICE:

- Air Conditioning
- Automatic Transmission
- Power Brakes
- Power Steering
- AM/FM Stereo
- Interval Wipers
- Tinted Glass
- Cloth/Vinyl Upholstery
- L.H. OSRV Mirror, Remote
- Wheel Covers
- Body Side Molding
- Digital Clock
- Window, Drip Moldings, Where Applicable
- Door Edge Guards
- Front/Rear Floor Mats
- WSW Tires

III. MANAGERIAL, Above Plus:

- Tilt Wheel
- Cruise Control
- Light Package
- Power Windows
- Power Door Locks

IV. EXECUTIVE, Above Plus:

Group I:
- Power Seat-Driver
- Automatic Air Conditioning or 2 Tone Paint
- Styled Wheels

Group II: Above Plus
- Tilt-Telescope Wheel
- AM/FM Stereo Cassette
- High Level Upholstery
- Instrumentation Package
- Power Seats—All

DART & KRAFT FINANCIAL

D&K's anticipation of events that could impact the vehicle selection process for the rest of 1987 and into 1988 background its recommendations. A strike by autoworkers that could delay availability of new vehicles in the fall, continually rising oil prices, and the increasing volume of import vehicles are among concerns. To avoid possible delays in receiving 1988 models, D&K recommends considering ordering more 1987 models. To offset oil price hikes, the recommendation is toward restraint in ordering larger vehicles or engines. To compete more successfully against used imports in the used-vehicle market, D&K recommends options which will make domestic cars more attractive by resale time, which, the lessor suggests, ought to be 36 months or 50,000 to 60,000 miles, depending on model.

UTILITY MODELS

MAKE/MODEL	PRICE
Ford/Mercury	
Escort	$8,076
Tracer	$8,856
General Motors	
Cavalier	$8,544
Sunbird	$8,690
Chrysler	
Omni	$6,852
Horizon	$6,852

RECOMMENDED EQUIPMENT

- Automatic Transmission
- Air Conditioning
- AM Radio
- Tinted Glass
- Power Steering
- Power Brakes
- Left Hand Remote Mirror
- Body Side Molding
- Floor Mats F&R
- Speed Control
- Electric Rear Defroster
- Standard 4 Cylinder Engine

All purchase prices are based upon 1987 Dealer Invoice Prices in effect in February, 1987 including optional equipment and freight charges.

RECOMMENDED REPLACEMENT: 36 months or 60,000 miles.

NOTE: All D&K charts — Listing of vehicles should not be construed as a ranking.

SMALL MODELS

MAKE/MODEL	PRICE
Ford/Mercury	
Tempo	$9,331
Topaz	$9,590
General Motors	
Grand Am	$10,079
Calais	$10,442
Skylark	$10,657
Corsica	$ 9,928
Chrysler	
Aries/Reliant	$10,008
Shadow	$ 9,030
Sundance	$ 9,121

RECOMMENDED EQUIPMENT

- Automatic Transmission
- Air Conditioning
- AM/FM Stereo Radio
- Tinted Glass
- Power Steering
- Power Brakes
- Left Hand Remote Mirror
- Body Side Molding
- Floor Mats F&R
- Speed Control
- Electric Rear Defroster
- Standard 4 Cylinder Engine

RECOMMENDED REPLACEMENT: 36 months or 55,000 miles.

BEST AVAILABLE COPY

MID-SIZE MODELS

MAKE/MODEL	PRICE
Ford/Mercury	
Taurus GL	$11.625
Sable GS	$12.400
General Motors	
Celebrity	$10.701
Pontiac 6000	$11.218
uick Century	$11.376
lds Ciera	$11.326
hrysler	
eBaron GTS	$11.186
odge Lancer	$11.102
aravelle	$10.973
odge 600	$11.103
odge Dynasty	(new)

ECOMMENDED EQUIPMENT

utomatic Transmission
ir Conditioning
M/FM Stereo Radio
nted Glass
ower Steering
ower Brakes
ower Door Locks

Left Hand Remote Mirror
Body Side Molding
Floor Mats F&R
Speed Control
Electric Rear Defroster
Standard 4 Cylinder Engine (Sable has 6 cyl. engine as standard)
Whitewall Tires

ECOMMENDED REPLACEMENT: 36 months or 55.000 miles

FULL-SIZE MODELS

MAKE/MODEL	PRICE
Ford/Mercury	
Crown Victoria	$13.607
Grand Marquis	$14.185
General Motors	
Olds Delta 88	$13.204
Buick LeSabre	$13.205
Pontiac Bonneville	$12.813
Chevrolet Caprice	$11.716
Chrysler	
Gran Fury	$11.666
Diplomat	$11.666
New Yorker	(new)

RECOMMENDED EQUIPMENT

Automatic Transmission
Air Conditioning
AM/FM Stereo Radio
Tinted Glass
Power Steering
Power Brakes
Power Door Locks
Power Windows

Left Hand Remote Mirror
Body Side Molding
Floor Mats F&R
Speed Control
Electric Rear Defroster
Standard Engine
Whitewall Tires

RECOMMENDED REPLACEMENT: 36 months or 55.000 miles

SPECIALTY MODELS

MAKE/MODEL	PRICE
Ford/Mercury	
Thunderbird	$12.446
Cougar	$12.725
General Motors	
Buick Regal	(new)
Olds Cutlass Supreme	(new)
Pontiac Grand Prix	(new)
Chrysler	
LeBaron Coupe	$12.660

RECOMMENDED EQUIPMENT

Automatic Transmission
Air Conditioning
AM/FM Stereo Radio w/Cassette
Tinted Glass
Power Steering
Power Brakes
Power Door Locks
Power Windows

Left Hand Remote Mirror
Body Side Molding
Floor Mats F&R
Speed Control
Electric Rear Defroster
Standard Engine
Whitewall Tires
Sport Wheels
Tilt Steering Wheel

RECOMMENDED REPLACEMENT: 36 months or 55.0*0 miles

GELCO

In its 30th year as a lessor. Gelco includes in its recommendations acquisition costs, operating costs, and resale value. Gelco notes that acquisition costs are three percent higher than April 1, 1987 prices and include recommended options listed with each selector group, but do not reflect added costs such as freight, taxes, and titles. Operating cost figures do not include fuel costs. Gelco sees continuing strength in resale values, despite low-cost financing and manufacturers' incentives. Longer warranties, which Gelco says complement the fleet market, become incentives to replace vehicles at 50,000 miles, so the retail customer would have miles remaining under warranty. Condition is the key to resale, Gelco adds.

LUXURY GROUP

		Acquisition Cost	Operating Cost Cent/Mile	Resale Value	EPA MPG City	EPA MPG Highway
	Cadillac DeVille	$19.173	$.0190	$11.200	18	25
***	Lincoln Continental	$22.188	$.0202	$12.550	NA	NA
	Oldsmobile Toronado Brougham	$18.312	$.0187	$10.000	19	28
	Buick Park Avenue	$16.490	$.0187	$ 9.100	18	25
*	Lincoln Mark VII	$20.184	$.0201	$11.100	16	23
***	Chrysler New Yorker Landau	NA	NA	NA	NA	NA
	Oldsmobile 98 Regency Brougham	$16.420	$.0187	$9.050	18	25

* As of this printing Ford has made no decision on Guaranteed Resale Programs.
** Does not include fuel costs.
*** New Model For 1988.

Luxury Recommended Equipment: Eight-Cylinder Engine Where Available, Automatic Transmission, Power Steering, Power Brakes, Dual Remote Mirrors, AM/FM Stereo Radio with Cassette, Automatic Air Conditioning, Tinted Glass Windows, Power Door Locks, Power Windows, Power Seats, Power Trunk Release, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, White Sidewall Tires, Body Side Molding, Front & Rear Carpeted Mats.

RECOMMENDATIONS

FULL-SIZE GROUP

	Buick LeSabre Custom	$12,624	$.0187	$6,300	18	24
	Chevrolet Caprice Classic	$11,836	$.0201	$5,500	18	24
***	Chrysler New Yorker	N/A	N/A	N/A	N/A	
***	Dodge Dynasty	N/A	N/A	N/A	N/A	
*	Ford Crown Victoria	$13,245	$.0195	$6,000	16	23
*	Mercury Grand Marquis	$13,756	$.0195	$6,200	16	23
	Pontiac Bonneville	$12,314	$.0187	$6,100	18	24
	Oldsmobile Delta 88 Royale	$12,616	$.0187	$6,300	18	24

* As of this printing Ford has made no decision on Guaranteed Resale Programs
** Does not include fuel costs
*** New Model For 1988

Full-Size Recommended Equipment: Six or Eight Cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Power Door Locks, Power Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front & Rear Mats, White Sidewall Tires, Body Side Moldings.

SPECIALTY GROUP

****	Buick Regal	$11,435	$0.188	$5,550	20	28
	Chevrolet Beretta	$ 9,913	$.0152	$4,900	N/A	N/A
	Chevrolet Monte Carlo	$11,129	$.0199	$4,825	19	24
	Chrysler LeBaron Coupe	$11,482	$.0190	$5,100	16	26
	Dodge Daytona	$10,570	$.0180	$4,650	23	26
*	Ford Thunderbird	$11,805	$.0202	$5,200	19	22
*	Mercury Cougar	$12,105	$.0202	$5,325	19	22
***	Oldsmobile Cutlass Supreme	$11,734	$.0188	$5,600	20	28
***	Pontiac Grand Prix	$11,195	$.0188	$5,500	20	28

* As of this printing Ford has made no decision on Guaranteed Resale Programs
** Does not include fuel costs
*** New Models Available Spring 1988
**** Available Fall 1987

Specialty Recommended Equipment: Four or Six-Cylinder Engine, Automatic Transmission, Power Steering, AM/FM Stereo Radio, Sport Mirrors, Air Conditioning, Power Windows, Power Door Locks, Tinted Glass Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, White Sidewall Tires, Front & Rear Mats, Body Side Moldings.

MID-SIZE GROUP

	Buick Century Custom	$10,861	$.0188	$5,000	23	32
	Chevrolet Celebrity	$10,074	$.0188	$4,500	23	32
	Chrysler LeBaron GTS	$10,657	$.0190	$4,500	23	26
	Dodge 600	$10,170	$.0181	$4,300	23	26
	Dodge Lancer	$10,415	$.0180	$4,350	23	26
*	Ford Taurus	$10,252	$.0179	$5,075	24	28
*	Mercury Sable GS	$11,068	$.0179	$5,575	24	28
	Oldsmobile Cutlass Ciera LS	$10,799	$.0188	$5,000	23	32
	Plymouth Caravelle	$ 9,618	$.0181	$4,000	23	26
	Pontiac 6000	$10,419	$.0188	$4,650	23	32
***	Dodge Dynasty L	N/A	N/A	N/A	N/A	N/A

* As of this printing Ford has made no decision on Guaranteed Resale Programs
** Does not include fuel costs
*** New Model For 1988

FUNCTIONAL COMPACT GROUP

	Buick Skylark Custom	$10,486	$.0159	$4,550	24	32
	Chevrolet Corsica	$ 9,828	$.0152	$4,525	N/A	35
	Dodge Shadow	$ 8,681	$.0151	$3,850	21	26
*	Ford Tempo GL	$ 8,764	$.0150	$3,925	25	29
*	Mercury Topaz GS	$ 9,074	$.0150	$4,075	25	29
	Oldsmobile Calais	$10,220	$.0159	$4,500	24	32
	Pontiac Grand Am	$ 9,817	$.0159	$4,500	24	32
	Plymouth Sundance	$ 8,774	$.0151	$3,850	21	26

* As of this printing Ford has made no decision on Guaranteed Resale Programs
** Does not include fuel costs

Functional Recommended Equipment: Four-Cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Electric Rear Window Defroster, Front & Rear Mats, Body Side Moldings

EFFICIENCY SUB-COMPACT GROUP

	Chevrolet Cavalier	$8,359	$.0147	$3,525	24	31
	Dodge Omni	$6,971	$.0150	$2,500	24	28
*	Ford Escort	$7,453	$.0159	$2,950	25	30
*	Mercury Tracer	$8,250	$.0159	$3,150	28	35
	Plymouth Horizon	$6,971	$.0150	$2,500	24	28
	Pontiac Sunbird	$8,953	$.0147	$3,650	24	31

* As of this printing Ford has made no decision on Guaranteed Resale Programs.
** Does not include fuel costs.

Efficiency Recommended Equipment: Four-Cylinder Engine, Automatic Transmission, Power Steering, AM Radio, Dual Mirrors, Power Brakes, Air Conditioning, Tinted Glass Windows, Electric Rear Window Defroster, Front & Rear Mats, Body Side Moldings.

HERTZ/U.S. FLEET LEASING

Cost control begins with the selection of appropriate vehicles for fleet use, with cost and ultimate resale value acting as determinants in vehicle selection, Hertz/USFL stresses. Key recommendations for 1988 are based on projected costs of operation and represent what Hertz/USFL suggests are the most economical mid-size sedans for a 24-month lease period. The mid-size models recommended include Ford Taurus L, Plymouth Caravelle, Dodge 600, Chevrolet Celebrity, and Pontiac 6000, ranked by estimated miles per gallon and 24-month total cost.

KEY 1988 RECOMMENDATIONS

The **Ford Taurus**' strong 1987 sales justified Ford's expensive gamble on such an aerodynamically advanced vehicle. For the second straight year, the Taurus is our top-rated mid-size vehicle.

The **Plymouth Caravelle** and **Dodge 600**, Chrysler's mid-priced conventionally styled roomy sedans, continue to offer a high level of standard equipment at an affordable price. An EFI 2.2L-4 engine and three-speed automatic transaxle are standard.

One of the most popular fleet cars, the **Chevrolet Celebrity** continues to offer the EFI 2.5L-4 engine as standard, with the 2.8L-V6 optional. Performance-oriented drivers may appreciate Celebrity's Eurosport with the larger engine and five-speed manual transmission.

RECOMMENDATIONS

The popular mid-size **Pontiac 6000** sedan also provides a standard EFI 2.5L-4 engine and three-speed automatic transmission. An optional EFI 2.8L-V6 engine and four-speed automatic transmission are available. The 6000 SE has the larger engine and a number of other performance-oriented features as standard equipment.

In **other popular sizes**, these are our top-rated coupes and sedans:

Compact Sedans	**Plymouth Horizon America/ Dodge Omni America**
Specialty Coupes	**Pontiac Grand Am**
Large Sedans	**Pontiac Bonneville**
Personal Luxury Coupes	**Oldsmobile Toronado Brougham**
Mid-Size Luxury Sedans	**Chrysler Fifth Avenue**
Large Luxury Sedans	**Oldsmobile 98 Regency Brougham**

NEW 1988 MODELS

CHEVROLET CORSICA: A front-wheel drive, four-door compact sedan which replaces the Citation in the Chevrolet lineup. The Corsica fits in between the Cavalier and the Celebrity in both size and price. The powertrain is identical to the Cavalier's: standard 2.0L-4, optional 2.8L-V6.

CHEVROLET BERETTA: Mechanically similar to the Corsica, but with its own unique two-door coupe body.

DODGE DYNASTY: A brand-new front-wheel drive mid-size sedan. The Dynasty features six-passenger seating and a high level of standard equipment. The standard engine is a new Mitsubishi 3.0L-V6 with electronic multipoint fuel injection.

CHRYSLER NEW YORKER AND NEW YORKER LANDAU: The same basic design as the Dynasty, but with more luxury features.

LINCOLN CONTINENTAL: The Continental, the first front-wheel drive Lincoln, is all new for 1988. It features aerodynamic styling, a 3.8-liter V6 with electronic multi-point fuel injection, an engine balance shaft for smoothness, an anti-lock brake system (ABS), air suspension, four-wheel disc brakes, and a large trunk.

PONTIAC GRAND PRIX, BUICK REGAL AND OLDSMOBILE CUTLASS SUPREME: These three specialty coupes are completely new for 1988. They have front-wheel drive, standard 2.8L-V6, four-wheel disc brakes, and aerodynamic styling. Slightly smaller than the old rear-wheel drive models, they have the same front seat room and slightly less rear seat room. The trunk is also slightly smaller. Overall, the new models are about 250 pounds lighter than the 1987 models.

IMPORTS: Both Toyota and Nissan now have an extensive delivery network and are aggressively pursuing fleet business. We will advise our customers as soon as our relationships with Nissan and Toyota have been finalized.

LEND LEASE

Refraining from making specific vehicle recommendations, Lend Lease acknowledges that "the factors in vehicle selection which a fleet administrator can and should consider are virtually limitless." Lend Lease urges that fleet professionals prioritize each of the variables in terms of company needs and goals. Parameters to be considered include functionality, initial cost, resale value, operating costs, "driver" factors, and vehicle availability. Matching the vehicle to the job it will perform, according to Lend Lease, is the single most important step among all considerations. The company offers data and personnel to assist fleet managers in making appropriate vehicle selection decisions. "Putting the customer 'first' is 'second' nature to us," Lend Lease emphasizes.

McCULLAGH

Calling the 1987 model year "another year of unusual and challenging situations for fleet managers," McCullagh Leasing refers to the erratic resale market and the impacts of the Tax Reform Act of 1986 as indicators that the industry is ever-changing. McCullagh recommends preparing for price increase from three to five percent, due to strike threats in the auto industry and urges making vehicle selections for 1988 early. The lessor stresses application as the underlying criterion for vehicle selection. "Determine what are the most important factors driving your decision on company cars." Looking toward resale, McCullagh suggests that options might be decided by drivers to promote better pride in and care of a vehicle.

STANDARD VEHICLES

These vehicles typically serve a marketing function (sales/service). Recommended Replacement: 36 months/50,000 miles. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Mouldings, Front & Rear Guards, Power Brakes, Power Steering, AM/FM Radio, Rear Defroster, Speed Control, Steel Belted Radial Tires, Tinted Glass, Wheel Covers.

4-Door	2-Door
Standard — Class 1	
Chevrolet Caprice	
Dodge Diplomat	
Plymouth Gran Fury	
Ford LTD Crown Victoria "S"	
Standard — Class 2	
Mercury Sable GS	
Ford Taurus	
	Buick Regal
	Chevrolet Monte Carlo
	Ford Thunderbird
	Mercury Cougar
	Oldsmobile Cutlass Supreme
Oldsmobile Cutlass Ciera	Oldsmobile Cutlass Ciera
Buick Century Custom	Buick Century Custom
	Pontiac Grand Prix
Standard — Class 3	
Ford Taurus	
Pontiac 6000	Pontiac 6000
Chevrolet Celebrity	Chevrolet Celebrity
Plymouth Caravelle	
Dodge 600	
Chrysler LeBaron GTS	
Dodge Lancer	
Oldsmobile Calais	Oldsmobile Calais
Buick Skylark	Buick Somerset
Pontiac Grand Am	Pontiac Grand Am
Chrysler LeBaron	

RECOMMENDATIONS

Standard — Class 4	
Chevrolet Beretta	Ford Mustang
Chevrolet Corsica	
Ford Tempo L	Ford Tempo
Mercury Topaz	Mercury Topaz
Dodge Aries	Dodge Aries
Plymouth Reliant	Plymouth Reliant
Buick Skyhawk	Buick Skyhawk
Chevrolet Cavalier	Chevrolet Cavalier
Oldsmobile Firenza	Oldsmobile Firenza
Pontiac Sunbird	Pontiac Sunbird
Standard — Class 5	
AMC Alliance	AMC Alliance
Dodge Omni Hatchback	
Dodge Shadow Hatchback	Dodge Shadow Hatchback
Ford Escort	Ford Escort
Mercury Lynx	
Plymouth Horizon Hatchback	
Plymouth Sundance Hatchback	Plymouth Sundance Hatchback
Chevrolet Nova CL	

MANAGEMENT VEHICLES

The vehicles in this class are recommended for functions where operating costs are balanced by other, less tangible requirements. Recommended Replacement: 24 months/45,000 miles. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Front & Rear Guards, Power Brakes, Power Door Locks, Power Steering, Power Windows, Rear Defroster, AM/FM Stereo, Speed Control, Steel Belted Radial Tires, Tilt Wheel, Tinted Glass, Wheel Covers.

4-Door	2-Door
Management — Class 1	
Buick LeSabre	Buick LeSabre LS
Chevrolet Caprice Classic	
Ford LTD Crown Victoria	Ford LTD Crown Victoria
Oldsmobile Delta 88	Oldsmobile Delta 88
Pontiac Bonneville	
Chrysler New Yorker	
Dodge Dynasty LE	
Management — Class 2	
Mercury Sable LS	Mercury Sable LS
	Buick Regal Limited
Chrysler New Yorker	
	Ford Thunderbird
	Mercury Cougar LS
	Oldsmobile Cutlass Supreme Classic
	Pontiac Grand Prix LE
	Chrysler LeBaron Coupe
	Oldsmobile Cutlass Supreme
Management — Class 3	
Buick Century Ltd	Buick Century Ltd
LeBaron GTS Hatchback	LeBaron GTS Hatchback
Olds Ciera Brougham	Olds Ciera Brougham
Pontiac 6000 LE	Pontiac 6000 LE
Mercury Sable GS	Mercury Sable GS
Dodge Dynasty	

EXECUTIVE VEHICLES

Where luxury, comfort and prestige are the primary considerations, these cars are recommended. Recommended Replacement: 24 months/25,000 miles. Recommended Equipment: Air Conditioning, Dual Remote Mirrors, Power Brakes, Power Door Locks, Power Seats, Power Steering, Power Windows, Rear Defroster, Speed Control, Steel Belted Radial Tires, AM/FM Stereo, Tilt Wheel, Tinted Glass.

4-Door	2-Door
Executive — Class 1	
Cadillac Seville	
Lincoln Continental	
Cadillac Fleetwood	
Cadillac Fleetwood Brougham	
Executive — Class 2	
	Cadillac Eldorado
	Cadillac Mark VII
Executive — Class 3	
Cadillac Sedan Deville	Cadillac Coupe Deville
Lincoln Town Car	
Executive — Class 4	
Buick Electra Limited	
Buick Electra Park Avenue	Buick Electra Park Avenue
Chrysler 5th Avenue	
Mercury Grand Marquis	Mercury Grand Marquis
Oldsmobile 98 Regency	
Oldsmobile Ninety-Eight Regency Brougham	
Chrysler New Yorker Landau	
Executive — Class 5	
	Buick Riviera
	Buick Riviera T Type
	Oldsmobile Toronado Brougham

PH&H

Peterson, Howell & Heather, noting that the current supply of new cars is high and the total demand for new cars has been stable over the past year, indicates that the supply and demand theme is critical to 1988-model year planning. Based on careful analyses of economic factors, automobile production capacity, sales and resale values, the labor situation, and fuel prices, PH&H offers general recommendations as follow: Select vehicles that offer fleet incentives to lower acquisition costs and minimize depreciation; stress the value of lower-cost factory orders over dealer orders to offset demand for popular models which could result in longer lead time order planning; order cars which are anticipated to recapture the highest amount of original cost; select vehicles in anticipation of the 1990 resale market; replace cars by 55,000 miles to maximize their values: design selectors with strike-affected make and model alternatives in mind; select four-cylinder engines to take advantage of possible fuel cost increases and minimize acquisition costs. From the total universe of vehicles, PH&H has evaluated each model to identify those vehicles best available for a variety of fleet applications. These vehicles are listed in alphabetical order.

Model	Make	Style
Aries LE/Reliant LE	Dodge/Plymouth	Sedan
Beretta	Chevrolet	Coupe
Bonneville LE	Pontiac	Sedan
Calais	Oldsmobile	Sedan
Caprice	Chevrolet	Sedan
Caravelle	Plymouth	Sedan
Cavalier	Chevrolet	Sedan
Celebrity CL	Chevrolet	Sedan
Century Custom	Buick	Sedan
Corsica	Chevrolet	Sedan
Cougar LS	Mercury	Coupe
Cutlass Ciera	Oldsmobile	Sedan
Delta 88 Royale	Oldsmobile	Sedan
Dynasty	Dodge	Sedan
Grand Am	Pontiac	Sedan
Lancer	Dodge	Hatchback
LeBaron Coupe	Chrysler	Coupe
LeBaron GTS	Chrysler	Hatchback
LeSabre Custom	Buick	Sedan
LTD Crown Victoria 'S'	Ford	Sedan
Nova	Chevrolet	Sedan
Regal Custom	Buick	Coupe
Sable GS	Mercury	Sedan
Shadow	Dodge	Hatchback
6000	Pontiac	Sedan
Skylark Custom	Buick	Sedan
Sundance	Plymouth	Hatchback
Taurus L	Ford	Sedan
Tempo GL	Ford	Sedan
Thunderbird	Ford	Coupe
Topaz GS	Mercury	Sedan
Aerostar	Ford	Van
Aries LE/Reliant LE	Dodge/Plymouth	Wagon
Astro CS	Chevrolet	Van
Caravan/Voyager	Dodge/Plymouth	Van
Celebrity CL	Chevrolet	Wagon
6000	Pontiac	Wagon
Taurus L	Ford	Wagon

WHEELS

Wheels views vehicle selection as having two independent steps. The first is construction of the selector shell, which establishes guidelines as to how the fleet will be used. The second step is to review alternate vehicles and make selections based on application. Wheels has identified five use categories and selected a "benchmark" vehicle for each, noting that not all the vehicles shown in all five categories would be included in any one fleet selector list. Each category contains estimated initial costs (estimated 1988 dealer invoice price, including base price, freight, and accessories shown under basic equipment) and monthly operating costs (considering initial cost, estimated resale, investment cost and fuel, at $1.00 per gallon) in the table below. Monthly costs are based on a life cycle of 30 months and 55,000 miles.

CATEGORY 1

Special fleet for low annual mileage/urban applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Escort GL ($8518)	$298
Chevrolet Nova ($8155)	$258
Dodge Omni ($7268)	$272
Plymouth Horizon ($7268)	$272
Dodge Shadow ($8809)	$290
Mercury Tracer ($8843)	$292
Plymouth Sundance ($8901)	$292
Upgrades	
Ford Mustang LX* ($9757	$301
Chevrolet Camaro* ($10,921)	$338

Basic Equipment: 4-Cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, Whitewall Tires. **Optional Equipment:** Rear Defroster, Tilt Wheel

*Available as a 2-door only

Chevrolet Camaro is only available with a 6-cylinder engine

Note: All Benchmark Vehicles are in italics

CATEGORY 2

Basic fleet for standard applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
Chevrolet Corsica ($9935)	$320
Pontiac Sunbird ($9542)	$314
Chevrolet Cavalier RS ($9673)	$317
Buick Skyhawk ($9843)	$321
Oldsmobile Firenza ($9840)	$321
Pontiac Grand Am ($10,465)	$322
Ford Tempo GL ($9554)	$328
Upgrades	
Oldsmobile Calais ($10,722)	$328
Buick Skylark Custom ($10,848)	$331
Mercury Topaz GS ($9783)	$334
Dodge Aries ($9728)	$338
Plymouth Reliant ($9728)	$338
Ford Tempo LX ($10,380)	$348
Chrysler LeBaron Sedan ($10,917)	$351

Basic Equipment: 4-Cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, Whitewall Tires. **Optional Equipment:** Cruise Control, Power Door Locks, Rear Defroster, Tilt Wheel

CATEGORY 3

Basic fleet for standard applications. Priority on reasonable cost and driver acceptance.

Model (Initial Cost)	Estimated Monthly Operating Cost
Chevrolet Celebrity CL ($11,016)	$351
Dodge Lancer ($10,772)	$341
Chrysler LeBaron GTS ($11,047)	$348
Ford Taurus L ($10,957)	$349
Pontiac 6000 ($10,962)	$349
Dodge 600 SE ($10,880)	$350
Plymouth Caravelle SE ($10,750)	$350
Upgrades	
Oldsmobile Ciera ($11,368)	$355
Buick Century Custom ($11,380)	$356
Pontiac 6000 LE ($11,500)	$362
Mercury Sable GS ($12,338)	$387

Basic Equipment: 4-Cylinder Engine (or 6-Cylinder if Base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Full Wheel Covers, Left Hand Remote Mirror, Power Brakes, Power Stering, Tinted Glass, Whitewall Tires. **Optional Equipment:** Cruise Control, Dual Remote Mirrors, Light Group, Power Door Locks, Power Seat, Power Windows, Rear Defroster, Split Front Seat, Tilt Steering Wheel

RECOMMENDATIONS

CATEGORY 4

Basic fleet for standard applications. Priority on driver acceptance and image.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Taurus GL ($12,506)	$387
Buick Regal* ($12,210)	$373
Pontiac Grand Prix* ($12,088)	$374
Oldsmobile Cutlass Supreme* ($12,393)	$381
Chevrolet Monte Carlo LS* ($12,152)	$383
Buick Regal Limited* ($12,881)	$388
Mercury Sable GS ($12,663)	$390
Cutlass Supreme Brougham* ($13,102)	$396
Upgrades	
Chevrolet Caprice Classic ($12,803)	$399
Dodge Diplomat SE ($12,392)	$403
Mercury Cougar LS* ($13,048)	$403
Ford Thunderbird* ($13,040)	$407
Ford Crown Victoria ($13,757)	$410
Dodge Dynasty LE ($13,200)	$414
Oldsmobile Delta 88 Royale ($13,508)	$414
Mercury Sable LS ($13,766)	$415
Pontiac Bonneville LE ($13,585)	$415
Ford Taurus LX ($13,835)	$416
Buick LeSabre Custom ($13,839)	$421

Basic Equipment: 6-Cylinder (or 8-Cylinder if Base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Molding, Cruise Control, Left Hand Remote Mirror, Light Group, Power Brakes, Power Steering, Rear Defroster, Tinted Glass, Whitewall Tires. **Optional Equipment:** 8-Cylinder Engine and Overdrive Transmission (included in Caprice, Crown Victoria & Grand Marquis), Dual Remote Mirrors, Heavy Duty Suspension, Tilt Steering Wheel**, Premium Wheel Covers, Split Front Seat, Power Door Locks**, Power Seat**, Power Windows**

*Available as a 2-door only.
**Recommended on upgrade models.

CATEGORY 5

Special fleet for executive applications. Priority on driver image and prestige.

Model (Initial Cost)	Estimated Monthly Operating Cost
Buick Electra Park Avenue ($18,083)	$507
Mercury Grand Marquis LS ($15,889)	$461
Oldsmobile Delta 88 Royale Brougham ($15,574)	$461
Buick LeSabre Limited ($15,897)	$468
Chrysler Fifth Avenue ($16,270)	$479
Chrysler New Yorker Landau ($17,300)	$498
Oldsmobile 98 Regency Brougham ($17,960)	$505
Upgrades	
Oldsmobile Toronado* ($19,195)	$532
Buick Riviera* ($19,580)	$541
Lincoln Mark VII* ($21,245)	$566
Lincoln Town Car ($21,330)	$574
Cadillac De Ville ($21,286)	$575
Cadillac Brougham ($21,866)	$580
Cadillac Eldorado* ($22,474)	$588
Lincoln Continental ($23,284)	$617
Cadillac Seville ($24,791)	$631
Cadillac Fleetwood d'Elegance ($24,777)	$653

Basic Equipment: 6-Cylinder or 8-Cylinder Engine, Air Conditioning, AM/FM Stereo/Tape, Automatic Transmission, Body Side Molding, Bumper Guards, Cruise Control, Dual Power Seats, Dual Remote Mirrors, Light & Accessory Groups, Power Antenna, Power Brakes, Power Locks, Power Steering, Power Trunk, Power Windows, Premium Wheel Covers, Rear Defroster, Split Front Seat, Tilt Steering Wheel, Tinted Glass, Whitewall Tires.

*Available as a 2-door only.

AF

ARI Claims First with Computerized Specifications

For the first time ever, 1988-vehicle specification information can be analyzed on a computer using a floppy disk provided by ARI, Inc. to its current and prospective clients. The lessor has programmed complete vehicle information on a five-and-one-quarter-inch diskette.

The menu-driven program, designed to run on most IBM PC or compatible computers, allows the fleet manager to prioritize vehicles to develop a fleet selector list. From the main menu, the fleet manager can look at individual vehicle profiles, view all vehicles per his fleet specifications, and rank all vehicles by any category, for comparison purposes.

Automotive information, including body group and type, manufacturer, model, acquisition cost, engine, number of cylinders; general information, such as wheelbase, curb weight, cargo space, and overall length; cost information per mile; fuel information, and dimensions are presented in each vehicle's profile. The specifications information allows the fleet manager to view all vehicles which confirm to his specifications. For example, he may wish to review all mid-size cars costing less than $10,000 with six-cylinder engines. ARI has inserted the innovative disc in its "1988 ARI Fleet Recommendations" booklet.

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Fleet Car Registrations

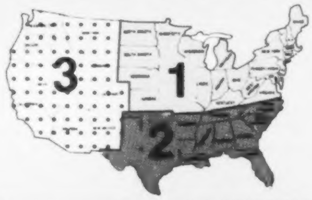
'86 vs. '87 Model Year: The First Six Months

MODEL	1986 Model Year Total	1986 1st 6 Mos MYTD	1987 1st 6 Mos MYTD
SUBCOMPACT			
Alliance/Encore	12,167	8,041	4,092
Cavalier	87,751	44,025	30,560
Charger	1,902	1,207	122
Chevette	21,456	16,828	5,570
Colt	11,053	7,846	1,764
Escort	58,002	37,327	29,910
Fiero	8,716	5,059	2,485
Firenza	6,777	4,184	2,405
Horizon	12,905	8,091	3,362
Lynx/Capri	15,612	9,621	4,627
Mustang	23,666	15,324	9,908
Nova	16,196	9,564	3,818
Omni	11,631	6,674	3,793
Skyhawk	8,632	5,616	2,366
Spectrum	9,049	5,273	24,434
Sprint	5,411	3,457	5,126
Sunbird	24,875	9,009	8,766
T-1000	4,578	3,539	682
Turismo	2,146	1,470	173
Total Subcompact	**342,525**	**202,155**	**143,963**
COMPACT			
Aries	36,901	19,130	24,314
Beretta	0	0	5,559
Calais	20,771	14,152	8,165
Camaro	23,727	14,839	5,680
Citation	447	447	0
Conquest/Vista	3,141	1,642	959
Corsica	0	0	5,682
Daytona	2,473	1,519	320
Eagle	1,549	1,282	209
Firebird	12,307	7,395	4,609
Golf	6,386	3,348	1,828
Grand Am	41,783	26,095	39,517
Jetta	8,259	4,064	3,182
Lancer	11,718	7,013	4,582
LeBaron GTS	14,549	8,503	4,652
Laser	2,218	1,420	25
Reliant	54,649	22,834	20,844
Shadow	1,729	0	6,985
Somerset Regal/Skylark	28,014	9,518	6,429
Sundance	1,394	0	5,934
Tempo	56,615	32,538	41,518
Topaz	15,454	6,303	14,043
Total Compact	**344,084**	**182,042**	**205,036**

MODEL	1986 Model Year Total	1986 1st 6 Mos MYTD	1987 1st 6 Mos MYTD
INTERMEDIATE			
600	20,446	8,270	9,803
6000	51,483	30,118	32,500
Bonneville	7,866	5,228	6,973
Caravelle	14,445	7,174	10,087
Celebrity	118,074	70,249	74,235
Century	38,148	23,865	24,190
Cougar	24,550	10,405	7,735
Cutlass Ciera	66,405	38,106	44,247
Cutlass Supreme	40,321	17,969	10,036
Grand Prix	4,849	3,477	944
LeBaron	11,047	6,380	5,729
LeBaron Coupe	0	0	3,031
LTD	20,568	18,739	582
Marquis	9,076	9,076	0
Monte Carlo	11,619	8,319	2,733
New Yorker	3,779	2,452	1,658
Regal	8,992	6,647	2,404
Sable	19,006	5,178	12,033
Taurus	41,303	10,461	67,175
Thunderbird	28,646	17,512	13,973
Total Intermediate	**540,553**	**299,625**	**330,069**
STANDARD			
Delta 88	19,109	9,019	12,979
Diplomat	16,200	5,028	3,522
Fifth Avenue	29,442	19,131	3,903
Gran Fury	7,238	2,087	1,624
Grand Marquis	16,142	5,247	6,564
Impala/Caprice	48,734	26,329	21,718
LeSabre	9,934	3,941	10,954
Crown Victoria	36,912	16,040	17,062
Parisienne	7,516	4,410	686
Total Standard	**191,227**	**91,232**	**79,012**
LUXURY			
Allante	0	0	14
Cimarron	1,667	954	509
Continental	2,812	1337	1,259
Corvette	6,263	3,872	1,765
DeVille	27,736	17,755	15,585
Eldorado	3,220	2,218	1,753
Electra	23,242	16,390	9,843
Fleetwood	5,798	2,603	5,013
Mark VII	3,035	1,335	1,730
98 Regency	38,420	29,440	6,089
Riviera	5,235	1,413	5,993
Seville	2,119	1,282	5,728
Toronado	1,707	969	2,626
Town Car	36,955	25,682	26,041
Total Luxury	**158,209**	**105,205**	**83,948**
Total Domestic	**1,576,598**	**880,259**	**842,028**

USED CARS

The following are average car prices ending July 8, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3335	3370	3268
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2631	2655	2579
85 AMC ENCORE			
Sdn 5-Dr S Series	3319	3352	3251
84 AMC ENCORE			
Sdn 5-Dr S Series	2792	2822	2740
85 BUICK SKYHAWK			
Cust Coupe	3763	3800	3688
Cust Sdn	3820	3860	3743
85 BUICK CENTURY			
Cust Sdn	5846	5906	5729
84 BUICK CENTURY			
Cust Sdn	4841	4887	4743
85 BUICK SKYLARK			
Cust Sdn	4354	4398	4268
84 BUICK SKYLARK			
Cust Sdn	3474	3709	3407
85 BUICK SOMERSET REGAL			
Coupe	6330	6394	6205
85 BUICK RIVIERA			
Coupe	10.342	10.446	10,136
84 BUICK RIVIERA			
Coupe	8626	8711	8455
85 BUICK LE SABRE			
Cust Sdn	7173	7245	7033
Cust Cpe	7173	7245	7033
85 CADILLAC DE VILLE			
Cpe	10,761	10.867	10.546
Sdn	10,761	10.867	10,546
84 CADILLAC DE VILLE			
Cpe	8194	8274	8031
Sdn	8136	8221	7976
85 CADILLAC SEVILLE			
Sdn	14.957	15,105	14.659
84 CADILLAC SEVILLE			
Sdn	12,423	12,548	12,176
85 CHEVY CHEVETTE			
Htchbk 4 Dr	3044	3072	2983
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2321	2342	2273
85 CHEVY CAMARO			
Cpe	6493	6560	6367
84 CHEVY CAMARO			
Cpe	5456	5509	5347
85 CHEVY CAVALIER			
Sdn	4269	4312	4183
84 CHEVY CAVALIER			
Sdn	3453	3485	3383
85 CHEVY CELEBRITY			
Sdn	5325	5378	5222
84 CHEVY CELEBRITY			
Sdn	4127	4169	4048
85 CHEVY CAPRICE			
Sdn	6748	6813	6612
84 CHEVY CAPRICE			
Sdn	5402	5457	5296
85 CHRYSLER LE BARON			
Cpe	5465	5518	5355
Sdn	5500	5555	5392
84 CHRYSLER LE BARON			
Cpe	4336	4379	4247
Sdn	4336	4379	4247
85 CHRYSLER FIFTH AVENUE			
Sdn	8433	8517	8262
84 CHRYSLER FIFTH AVENUE			
Sdn	7110	7183	6969
85 DODGE OMNI			
Htchbk 4 Dr	3399	3433	3331
84 DODGE OMNI			
Htchbk 4 Dr	2704	2731	2650
85 DODGE ARIES			
Sdn	4066	4109	3987
84 DODGE ARIES			
Sdn	3018	3049	2959
85 DODGE DIPLOMAT			
Sln Sdn	4643	4687	4551
84 DODGE DIPLOMAT			
Sln Sdn	3570	3604	3497
85 DODGE LANCER			
Sdn	5507	5563	5397
85 DODGE 600			
Sdn	5134	5183	5032
84 DODGE 600			
Sdn	3795	3832	3717
85 FORD ESCORT			
Htchbk 4 Dr L Series	3536	3572	3466
84 FORD ESCORT			
Htchbk 4 Dr L Series	2814	2844	2762
85 FORD MUSTANG			
LX-4 Cpe	5089	5140	4987
84 FORD MUSTANG			
L-4 Cpe	4124	4164	4042
85 FORD TEMPO			
GL Sdn 2 Dr	4243	4286	4159
GL Sdn 4 Dr	4314	4359	4227
84 FORD TEMPO			
L Sdn 2 Dr	2832	2860	2775
L Sdn 4 Dr	2886	2914	2828
85 FORD LTD			
Sdn	4568	4614	4476
84 FORD LTD			
Sdn	3402	3437	3336
85 FORD CROWN VIC			
Sdn	7688	7762	7534
84 FORD CROWN VIC			
Sdn	6196	6259	6073
85 FORD THUNDERBIRD			
Cpe	6597	6663	6465
84 FORD THUNDERBIRD			
Cpe	5453	5507	5344
85 LINCOLN CONTINENTAL			
Sdn	13,343	13.478	13,078
Town Car Sdn	12.048	12,170	11,807
Mark VII Cpe	13.069	13,196	12,804
84 LINCOLN CONTINENTAL			
Sdn	10.048	10,148	9846
Town Car Sdn	8931	9019	8753
Mark VII Cpe	9759	9857	9564
85 MERCURY LYNX			
Htchbk 2 Dr	3361	3394	3291
84 MERCURY LYNX			
Htchbk 2 Dr	2675	2700	2619
85 MERCURY COUGAR			
Cpe LS	7301	7372	7154
84 MERCURY COUGAR			
Cpe LS	6052	6113	5931
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4454	4497	4365
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3447	3481	3378
85 MERCURY MARQUIS			
Sdn	4627	4674	4536
84 MERCURY MARQUIS			
Sdn	3457	3489	3385
85 MERCURY GRAND MARQUIS			
Sdn	8092	8172	7930
84 MERCURY GRAND MARQUIS			
Sdn	6537	6602	6407
85 OLDS FIRENZA			
Sdn	4440	4485	4354
84 OLDS FIRENZA			
Sdn	3792	3830	3715
85 OLDS CIERA			
LS Coupe	5767	5826	5653
LS Sdn	5841	5900	5723
84 OLDS CIERA			
LS Cpe	4794	4844	4699
LS Sdn	4851	4899	4754
85 OLDS CALAIS			
Cpe	6255	6317	6129
85 OLDS CUTLASS SUPREME			
Cpe	6496	6563	6369
Sdn	6335	6397	6207
84 OLDS CUTLASS SUPREME			
Cpe	5392	5446	5284
Sdn	5250	5305	5146
85 OLDS DELTA 98			
Rgcy Sdn	8737	8823	8561
84 OLDS DELTA 98			
Rgcy Sdn	7443	7518	7296
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3395	3429	3328
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2724	2750	2670
85 PLYMOUTH RELIANT			
Sdn	4066	4110	3987
84 PLYMOUTH RELIANT			
Sdn	3006	3036	2947
85 PLYMOUTH CARAVELLE			
SE Sdn	4963	5011	4863
85 PLYMOUTH GRAN FURY			
Salon Sdn	4749	4794	4655
84 PLYMOUTH GRAN FURY			
Salon Sdn	3677	3713	3602
85 PONTIAC T-1000			
Sdn	3105	3136	3044
84 PONTIAC T-1000			
Sdn	2525	2552	2475
85 PONTIAC SUNBIRD			
Sdn	4444	4488	4356
84 PONTIAC SUNBIRD			
Sdn	3637	3674	3566
85 PONTIAC 6000			
Sdn	5583	5640	5472
84 PONTIAC 6000			
Sdn	4402	4446	4313
85 PONTIAC GRAND AM			
Cpe	6197	6260	6074
85 PONTIAC FIREBIRD			
Cpe	6572	6635	6439
84 PONTIAC FIREBIRD			
Cpe	5486	5545	5379
85 PONTIAC BONNEVILLE			
Sdn	5862	5923	5745
84 PONTIAC BONNEVILLE			
Sdn	4708	4755	4618
85 PONTIAC GRAND PRIX			
Cpe	6395	6460	6268
84 PONTIAC GRAND PRIX			
Cpe	5303	5358	5196
85 PONTIAC PARISIENNE			
Sdn	6882	6948	6742
84 PONTIAC PARISIENNE			
Sdn	5537	5590	5423
85 NISSAN SENTRA			
Dlx Sdn 4 Dr	4090	4132	4010
85 NISSAN STANZA			
XE Htchbk 4 Dr	5172	5224	5068
85 NISSAN MAXIMA			
SE Sdn	8855	8944	8678
84 NISSAN SENTRA			
Dlx Sdn 4 Dr	3255	3289	3190
84 NISSAN STANZA			
XE Htchbk 4 Dr	4144	4188	4062
84 NISSAN MAXIMA			
GL Sdn	6835	6904	6699
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5121	5172	5010
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6853	6922	6715
85 TOYOTA CRESSIDA			
Sdn	9794	9891	9599
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4009	4049	3930
84 TOYOTA CAMRY			
Sdn	5600	5657	5488
84 TOYOTA CRESSIDA			
Sdn	7793	7873	7639
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5957	6016	5837
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4456	4500	4367

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Colorado Springs, CO	130.2	106.7
Washington, D.C.	136.3	99.1
Gainesville, FL	138.4	100.9
Atlanta, GA	124.9	89.7
Honolulu, HI	166.0	125.8
Des Moines, IA	139.0	97.0
Indianapolis, IN	134.6	98.9
Kansas City, KS	104.9	92.2
Royal Oak, MI	143.4	96.4
St. Charles, MO	110.4	86.4
Reno, NV	147.9	124.9
Charleston, SC	120.9	93.9
Bellaire, TX	124.9	85.9
Milwaukee, WI	120.9	96.1

Survey conducted during the first five working days of July 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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september 1987

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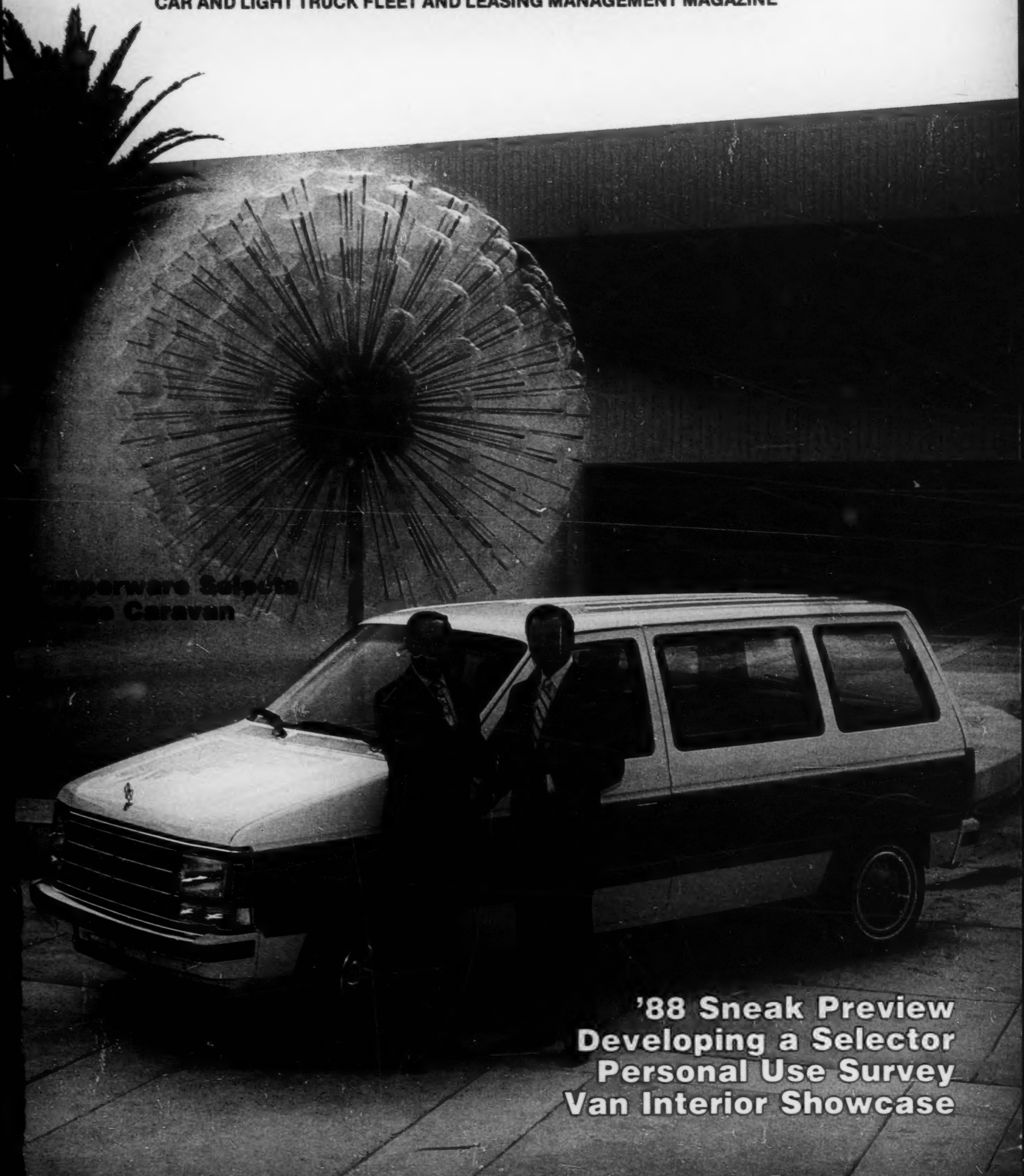
automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



upperware Selects
dge Caravan

'88 Sneak Preview
Developing a Selector
Personal Use Survey
Van Interior Showcase

automotive
FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SEPTEMBER 1987
VOL. 26, NO. 11

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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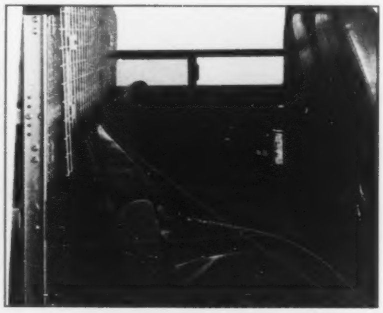

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On the cover: Doug Martin, president of Tupperware Home Parties — North America receives the key to a 1988 Dodge Caravan wagon from Hal Barton, general manager of Chrysler Motors Fleet Operations.

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FLEET SELECTION

The vehicle selection process isn't something that should just take place in May or June, and then put away for review a year later. Developing a selector is a dynamic process that should be underway throughout the model year.

Considerations in Developing A Selector List

The proper selection of fleet cars is important because it solves many administrative problems before they occur. For instance, proper vehicle selection facilitates fleet management by controlling costs, reducing vehicle downtime, and contributing to improved driver morale.

However, as any fleet manager will attest, developing a vehicle selector which meets all corporate fleet objectives is, by no means, an easy task. Developing a selector list is analogous to a juggling act, whereby the fleet manager attempts to balance varied corporate objectives by selecting vehicles that satisfy fleet needs at a reasonable cost while, at the same time, seeking to keep drivers happy. As a result of these varied corporate objectives, the right fleet car for one company may not be the right fleet car for another company, particularly one in a different business. Consequently, there is no one way which is the "best way" to select fleet vehicles. For example, different fleet managers may select different vehicles, even though they employ the same methodologies in reaching those decisions.

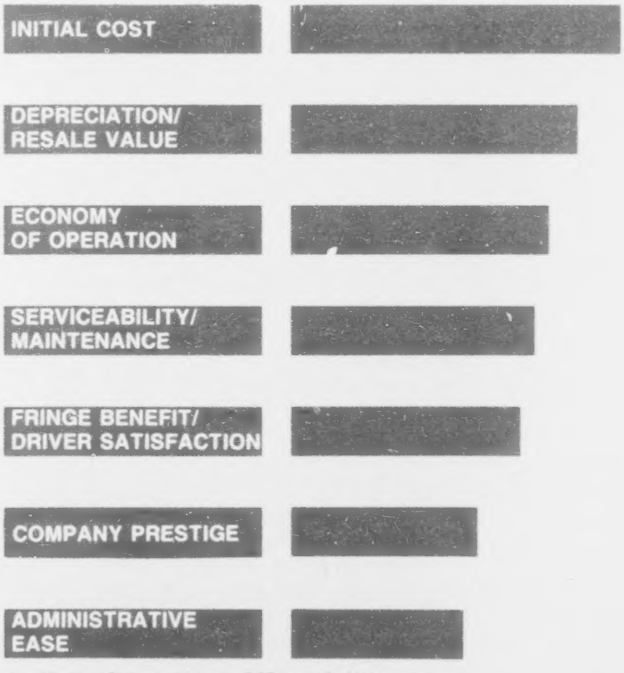
Developing A Selector

The vehicle selection process isn't something that should just take place in May or June, and then be put away for review a year later. It's something that is dynamic and should be underway at all time. It is extremely important to maintain a high degree of flexibility in the selection process of fleet vehicles. Should a car prove to be a bad selection, perhaps as a result of changes in the industry, a fleet manager needs to be able to drop it mid-year. Similarly, pricing has been known to change in the middle of the year, and sometimes new incentives are offered, which add further to the advantage of constantly refining a selector list.

Determining the appropriate models to put on a selector list is an ongoing process. One way to insure a successful selector list is by soliciting information from field personnel — both management and staff drivers. An excellent way for a fleet manager to obtain this driver feedback is by attending business sales

Factors Influencing Vehicle Acquisition

As part of NAFA's New Car Acquisition Survey, respondents were asked to rank in order of importance seven factors they use for fleet car selection.



Source: National Assocaition of Fleet Administrators.

meetings. These meetings can provide the feedback necessary to determine how field personnel regard their company cars. Another method to solicit driver feedback is through day-to-day contact with field personnel through phone calls and correspondence. Input from department management is also crucial because it helps determine which vehicles can best help a company market its products or services. These managers can define for a fleet manager their specific departmental needs and explain the marketing tools being employed by field personnel. This departmental feedback can be used to resolve a variety of questions such as trunk requirements, which is important, especially if drivers are required to carry literature or product samples.

Likewise, it is also important for a fleet manager to work closely on an ongoing basis with manufacturers' sales representatives. Factory representatives provide valuable information regarding upcoming products and available fleet services. In addition, they can offer valuable insights as to what a fleet manager should consider when deliberating the pros and cons of specific model selections. Similarly, leasing companies can provide valuable selection information based on vehicle data stored within their extensive computer databases and close contact with vehicle manufacturers.

> *Developing a selector list is analogous to a juggling act, whereby the fleet manager attempts to balance varied corporate objectives by selecting vehicles that satisfy fleet needs at a reasonable cost while, at the same time, seeking to keep drivers happy.*

Meshing Fleet and Corporate Needs

A fleet manager needs to match fleet needs with corporate objectives when developing a selector list. If one doesn't exist, it is recommended that a list of corporate objectives be established which a selector list should strive to meet. A fleet manager's task is to incorporate these corporate goals in the proper selection of vehicles which satisfy the driver's needs in the field. When formulating a selector list, a fleet manager should examine the operating costs, total holding costs, acquisition, potential resale, and net depreciation. In addition, the right fleet car selection must be in balance with a company's evaluation of vehicle usage, size requirements, cor-

Table 1

Fleet Incentive Preference Of Fleet Executives

Type of Fleet Incentive	Percent U.S.
Credit	60%
Free Options	40%

Table 2*

Why Fleet Executives Select Credit (Of Those Which Do So)

Reasons	Percent
Fleet policy/vehicle specification set standard options	47%
Improves cost control	35%
Facilitates administration	8%
Avoids car assignment conflicts	5%
Avoids standardization of free options	3%
Offers better value than free options	2%

Table 3*

Why Fleet Executives Select Options (Of Those Which Do So)

Reasons	Percent
Improves driver morale	34%
Increases resale value	34%
Offers better value than credit	11%
Maintain equipment level at less cost	9%
Provides incentive for employees to purchase cars at end of cycle	4%
Upgrades equipment at low cost	4%
Motivates drivers to better maintain cars	2%
Improves company image	1%
Enables testing of new options	1%

*Percentage reflect U.S. and Canadian responses combined.

Source: Runzheimer Reports on Transportation.

porate image, and appropriate optional equipment. A selector list should provide the type of vehicles that are best suited to perform the specific job assigned to its drivers.

> *One rule of thumb regarding optional equipment is to select accessories which enhance vehicle value, and pick items dealers can't conveniently install themselves. For instance a vinyl roof is not a significant factor at resale because if a dealer chooses, he can add a vinyl roof at nominal expense.*

The final step is meshing these requirements with the available fleet incentive programs offered by manufacturers. Some fleet incentive programs offer free options, such as air conditioning or other accessories in place of, or, in addition to, invoice credits. Free option programs can help improve driver acceptance and satisfaction with the product. At the same time, free options provide value to the company and increase the vehicle's resale value. Other common fleet programs are used-car guarantee programs. Used-car guarantees take two approaches. One is a best-in-the-class guarantee. The other type, often called guaranteed depreciation programs, are based upon a predetermined percentage of monthly depreciation to determine a vehicle's future used-car value.

Optional Equipment

Another consideration in vehicle selection is matching the option content to the particular grade of car that is being purchased. This is extremely important at resale. AM/FM stereo radio, tilt wheel, and cruise control, which today are the most common accessory options, were rare only 10 years ago. Since the early sixties, fleet cars have been equipped with basic options, such as air conditioning, power steering, power brakes, and automatic transmission. But within the past 10 years, stereo radios, cruise controls, tilt wheels, power seat, windows, and door locks have become more common.

One rule of thumb regarding optional equipment is to select accessories which enhance vehicle value, and pick items dealers can't conveniently install themselves. For instance, a vinyl roof is not a significant factor at resale because, if a dealer chooses, he can easily add a vinyl roof at nominal expense. On the other hand, especially with larger size cars, it would not be cost effective for a dealer to install power seats and power door locks.

Fleet incentives that offer specific free options sometimes serve to complicate the question of which accessories to add to a selector. This frequently presents the dilemma where one make and model is added to a selector with certain free options which often obliges a fleet manager to offer similar accessories in the other makes that line up against it.

A Case History

3M maintains two separate selector lists: one for sales personnel and the other for sales management.

Tim Hoffmann

"In the development of any selector list, we use some very basic criteria," says Tim Hoffmann, manager of employee transportation and travel services at 3M Co. in Minneapolis, MN. "Our foremost criteria is the job function of the employee who will be utilizing the vehicle. We have to make vehicles available to our employees to meet the specific job function they perform. A sales vehicle will differ from a service vehicle," says Hoffmann. Other considerations in developing 3M's selector list is capital cost, vehicle safety, maintenance history, resale value, along with driver comfort and convenience. "All of this is based on our past analysis of performance and driver response to previous selectors," says Hoffmann.

Vehicle Selection Checklist

Presented below is a brief five-step checklist for developing an effective vehicle selector list.

1. Compile a list of fleet vehicles to be considered and price out cars on a comparably equipped basis. Review fuel economy information, plus compare operating and maintenance costs.
2. Determine what optional equipment will be included at no cost to the driver.
3. Project vehicle depreciation and holding costs.
4. Factor manufacturers' fleet programs into depreciation and holding costs projections.
5. Finally, incorporate into the selection analysis other factors such as vehicle usage, size, image, administrative ease, driver perception and satisfaction.

MAINTENANCE

Tony Zack, Sun Electric Corp. vice president of sales and marketing, discusses significant technological advancements in engine electronics, on-board computers, and anti-skid brakes that have contributed to...

The Quiet Revolution

ENGINE ANALYZER
MEA

Engine diagnostic service requires sophisticated electronic test equipment, such as Sun Electric Corp.'s Modular Engine Analyzer (MEA).

There's a quiet-but-significant revolution going on in that part of the automotive world related to automotive electronics. Elements of that revolution don't seem to get their share of popular attention, because many of them are inventions born of necessities to meet government-mandated fuel and emission requirements.

Distributorless engines are one example. There aren't too many around yet. Only about one new car in 10 in the United States had a distributorless engine last year. Next year, that ratio is expected to climb to more than one in three. By 1990, almost two of every three new cars built will have distributorless ignition systems.

That's fast, and that's pervasive. That's also good, because distributorless engines burn fuel more efficiently than those with conventional ignition systems, boosting fuel economy and lowering emission levels in the process.

But now comes a question. Have you seen many advertisements incorporating this as a feature? No, and that's understandable. Buying a new car because it doesn't have something — in this case a distributor — isn't a very compelling reason for many consumers. So what's the fuss? The fuss is service shops can't work on distributorless ignition in the same fashion as they do conventional systems. So you can't — or at least you shouldn't — take those cars just anywhere for service. Yet very few drivers have even a clue that their cars' engines are distributorless.

There's another element of the quiet revolution, and that is the growth of on-board computers. Back in 1984, one-quarter of all cars on U.S. roads had them. This year, that figure will climb to almost one-half. By 1990, the car without an on-board computer managing its engine will be on the endangered species list.

To most of the automotive world, on-board computers have become rather passe. That's probably true with car drivers as well. There was an original concern about how those "black box" systems would be handled, and mishandled, in service facilities. And there's another problem here. That problem is that there is no standardization among automak-

Sun's D.I. Link works in conjunction with engine analyzers to permit thorough examination of distributorless engines.

ers, and, as each sends out more cars with more variations on their individual on-board systems, the potential for service confusion is growing proportionately.

Another piece of the quiet revolution — the least quiet of all actually — is anti-skid brake systems. Right now, they are fairly limited in use to top-of-the-line luxury cars. They represent currently just two percent of the world new-car market. But watch out. It's estimated that anti-lock brakes will be in 41 percent of all new cars in just three years' time. Here again, this represents a major technological change. Here is how one maker describes its system:

"Electronic sensors, placed at both front wheels and at the drive pinion of the rear axle, are the system's vital nerve ends. In a moving car, under normal driving conditions, those sensors are constantly signaling the rotational speed of the wheels to the computer. Registering a millisecond-by-millisecond electronic bulletin on the precise state of adhesion between the car's tires and the road surface. Then comes that sudden emergency. The driver reacts to danger ahead by reflexively hitting the brake pedal hard; hard enough, in a conventional braking system, to risk locking up one or more of the car's wheels. But those electronic sensors have already detected the onset of wheel slip and altered the computer. And the computer starts regulating fluid pressure in the brake line, modulating and cadencing brake pressure, via solenoid valves in the brake lines, as often as 10 times per second."

Up to now, it may sound like these various changes are unrelated. One deals with brakes; one with engines; one's computerlike. But there's a common thread through them all. They all involve electronics, and that's why the electronic content of the average new car is going right through the roof.

In 1970, the average new car had $25 worth of electronics, represented by its AM radio. Today, elec-

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tronic content is in the $1,000-range, and, by 1990, it seems sure to hit $1,400. One veteran engineer once remarked, "The new cars make TV technicians feel more at home under the hood than they do most automotive service personnel." What's more, surveys of automotive service personnel skills invariably conclude that electronics is the skill least-well-developed of all. So, are we, as an industry and the motoring public, in trouble? The answer is emphatically, "No." The answers to challenging changes, such as those cited, are being developed right alongside the changes themselves.

Consider distributorless engines. New developments such as Sun Electric Corp.'s adapter, which has a number of patents pending, have been devised to bring the service technician up-to-speed on testing and repairing the system. Here's one example: Distributorless engines uniquely fire on the exhaust piston stroke, as well as the power piston stroke. That's what helps cut emission levels of the engine. The Sun adapter, called the D.I. Link, measures both power and "wasted" stroke spark to determine how well the engine is doing its job. "Wasted" stroke readings are an entirely new concept that helps a service technician learn what is or isn't happening with a distributorless engine.

As for on-board computer system proliferations, there exists a software-intensive repair tool called Test Link that uses floppy discs to interface and converse with the various systems and with each of their variations.

What Test Link programs do is present procedures single-step by single-step on the screen of the engine analyzer with which they are associated. The repair technician can't get on the wrong chart, can't lose his place, or skip steps, because the technician sees only one step at a time. The repairs on-board systems usually require are amazingly simple, if and when you know where to look. Usually, it's something like replacing a sensor or reconnecting a wire. The Test Link "library" is still growing, and the first disc for imports are about to be released.

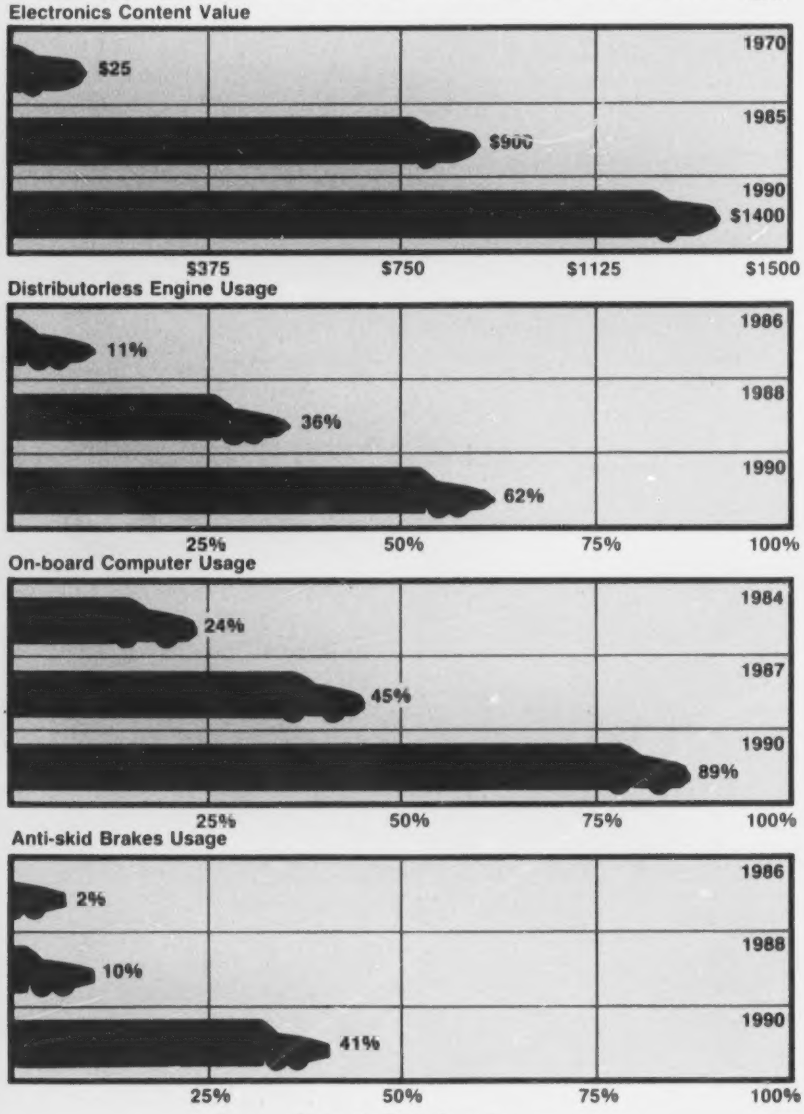
As noted before, the on-board computer is just one of the advanced and exotic electronic components being built into cars today. All the 12 systems below are in production today and are above and beyond the electronic controls that have already become commonplace, such as power windows, doors and locks, steering, and antennas. The 12 include: on-board engine computer system, automatic climate control, headlight delay system, keyless entry and illumination system, electronic message center, entertainment system with electronic stereo search, elec-

Computerized brake analyzers allow dynamic brake examination without the need to take the vehicle on the highway.

tronic instrument cluster, non-volatile memory module, automatic-dim day/night rear view mirror, electronic anti-theft system, air suspension and level control system, and anti-skid brake system.

That's quite a load for a car's electrical system, but there's new service equipment to deal with such concerns. Sun's is called a VAT-60 — "VAT" is short for Volt/Amp Tester — and it's intelligent, providing its own "good/bad" judgments on the condition of a car's battery, starting system, and charging system. It can also do pinpoint tests on the various electronic components, providing information on their condition based on standard electrical specifications. Furthermore, the VAT-60 has a microprocessor brain programmed to reject improper testing procedures, such as not achieving the proper engine speed to conduct a valid test, or not holding that speed for a sufficient amount of time. It will also not permit skipping test procedures. This is another example of how new, sophisticated technology is being matched by sophisticated testing tools that can be operated by technicians with average and below-average skills and still can be counted upon to find the correct repair answers.

Emerging Trends in Automotive Technology



Source: Sun Electric Corporation

As for anti-skid brake systems, there is another service answer of significance now under development. ABS looks like it will best be tested dynamically, rather than in the static manner that has generally proven satisfactory in this country for conventional brake systems. Sun has been building a computerized dynamic tester in Europe for some time, and is in the process of writing software to enable it to put anti-skid systems through their most revealing paces. Indoor facilities, equipped with computerized roller testers have replaced the test track as the final check for new cars and trucks. Sun's roller test does a 32-function check in a matter of minutes, and its rollers are adjustable to fit several wheelbases.

Sun's latest piece of equipment is the new MCA, which is the best and most complete marriage yet of computer and engine analyzers. The device will test a car in any fashion its operator chooses, by symptoms, by engine systems, even by what is called "rapid test," which can produce preliminary diagnostics in as little as two minutes. The MCA does pointed results printouts for technicians and expansive explanations of the situation for the driver. Driver printouts are so complete they even project what to expect regarding improvements upon completion of the repairs prescribed. MCA also examines every engine from more than 40 individual parameters stored on a disk. The disk carries all those test limits and all the associated diagnostic messages for virtually every car model built in the U.S. in the last 20 years and for every popular import of the last decade.

As automotive technology advances, service equipment improves to meet new technological challenges. AF

Intermediate cars increase in popularity among fleets, while imports drop dramatically according to the most recent AALA survey, which is based on a completely revised format to make respondents' information more useful.

AALA 1986 Cost Analysis Survey

AALA's most recent survey, analyzing costs and related information pertinent to the fleet leasing industry, has been released upon completion of the statistical work by Michael Silver & Co. of Skokie, IL. Those familiar with AALA surveys of years past will note that the most recent is different from previous surveys.

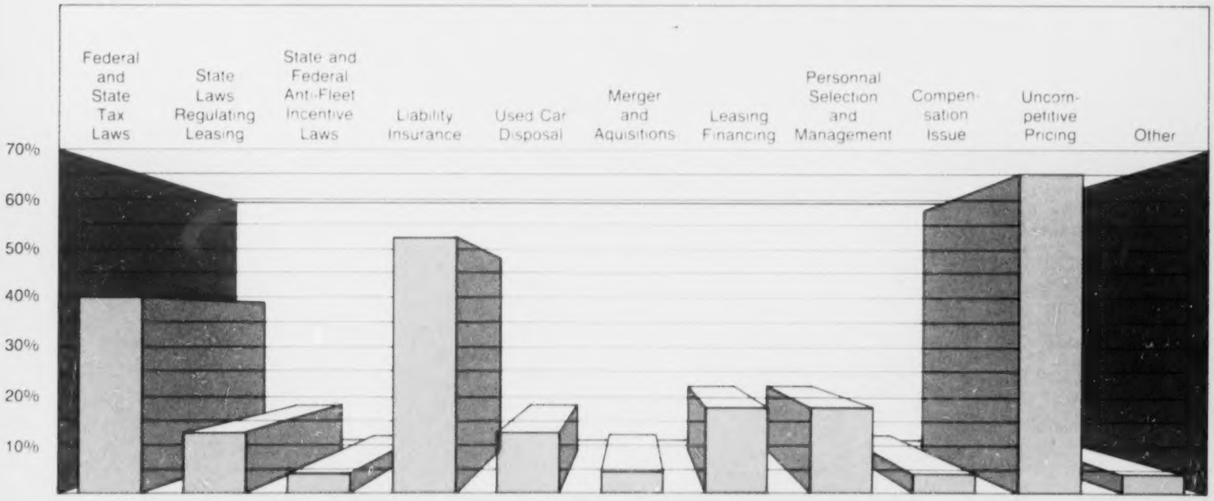
According to John Fitch, AALA executive director, "This year's survey is totally different. The survey was changed, because membership felt that the information from past surveys, while complete, was not of real, practical value. "Consequently," Fitch explains, "participation in the surveys was declining over the past couple years." An AALA committee evaluated the survey and recommended changes, which were incorporated in the new survey, rewritten to simplify the response process. The survey was mailed to the AALA membership (170 companies) toward the end of 1986. Fitch reports that responses were up over those in 1985.

The survey is conducted by AALA annually to assess certain aspects of the leasing industry as a means to measure it statistically and to provide guidance to lessors and other interested parties. Since open-end leasing was the growth end of the industry in 1986, those portions of the survey related to open-end leasing are included below.

Following are highlights of the most recent survey: In 1986, the average fleet car cost $12,066. Administrative costs increased slightly from $33.44 in 1985 to $36.53 in 1986 on a per-unit basis. Chevrolet, Ford, and Oldsmobile remained the most popular fleet automobiles, each up slightly over 1985, while Lincoln-Mercury showed a decline. Among vehicles composing fleets, imports dropped considerably from 19 percent in 1985 to nine percent in 1986. Intermediate car popularity increased from 45 percent in 1985 to 54 percent in 1986, while standard cars dropped nine percent, and compact cars slid eight percent. There was a significant jump in the number of used fleet cars sold to auctions (seven percent in 1985 vs. 22 percent in 1986), although the largest number (33 percent) went to used car dealers.

For further information on the survey, contact John Fitch, executive director, American Automotive Leasing Association, 1001 Connecticut Ave., NW, Suite 1201, Washington, DC, 20036.

Major Issues In The Leasing Industry



Analysis of Per Unit Per Month Costs For The Year 1986
Open-End

	Interest	Depreciation %	Depreciation Amount	Insurance	Licenses and Taxes	Maintenance and Repairs	Delivery	General and Administrative	Total Costs
Less than 1,000 Cars	($ 84.80)	—%	$207.92	($ 1.79)	$ —	$ —	$ —	$35.11	$329.62
	(10.27)	—	—	—	1.37	—	1.26	58.53	71.43
	—	—	—	—	—	—	—	33.35	33.35
	—	—	—	—	—	—	—	—	—
	61.00	—	124.00	—	—	—	—	52.25	237.25
Average Costs	61.00	—	165.96	—	1.37	—	1.26	44.81	274.40
Over 1,000 Cars	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—
	55.83	—	—	14.39	—	—	(.57)	(61.84)	132.63
	51.33	—	—	18.06	—	—	—	(12.85)	82.24
	42.66	—	—	—	—	—	(89.00)	33.38	165.04
	35.03	—	—	15.59	(.06)	—	(.42)	(15.18)	66.28
	—	—	—	—	—	—	—	—	—
	45.99	—	—	—	—	—	5.52	30.47	81.98
	44.00	2.00	247.70	(1.40)	—	—	2.56	31.58	327.24
	59.07	—	—	(2.23)	—	—	—	29.28	90.58
	57.17	—	—	(10.25)	16.50	(27.06)	1.40	40.91	153.29
	57.61	—	—	(.61)	1.57	—	—	20.48	80.27
Average Costs	49.86	—	247.70	16.02	9.04	—	3.16	31.02	356.80
Combined Average Costs	50.97	—	193.21	16.02	6.48	—	2.69	36.53	305.90

General and Administrative Expenses Per Unit Per Month Costs
Open-End

Less than 1,000 Cars	Total	Principal(s) Salary	Advertising	Travel & Promotion	Telephone & Telegraph	Rent & Occupancy	Office Supplies & Expense	Data Processing	Professional Fees	Administrative Salaries	Sales Salaries	Taxes	Insurance	Other	Other Salaries	Lease Revenue to Total Revenue %
	$35.11	$10.48	$5.45	$1.66	$1.27	$ 1.73	$ .55	$ —	$1.65	$ 5.61	$ —	$ .28	$ .78	$ 5.65	$ —	— %
	58.53	15.00	—	.05	.50	12.75	.60	2.12	1.08	9.25	7.74	.94	7.50	1.00	—	87.00
	33.35	—	1.74	2.78	1.05	3.46	2.09	.85	1.40	—	8.96	4.43	2.15	4.44	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	52.25	6.50	1.50	.50	1.50	4.00	1.50	.50	2.50	8.50	4.00	.50	.25	20.50	—	—
Over 1,000 Cars	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	(61.84)	.89	5.92	1.34	3.41	8.65	1.81	1.24	.65	9.35	13.56	.45	4.55	10.02	—	—
	(12.85)	.63	.22	.57	.62	.57	.49	.37	.50	4.19	2.49	.05	.13	2.02	—	2.30
	33.38	—	.24	1.59	1.65	1.97	2.60	2.63	.25	14.97	—	.24	.44	6.80	—	89.00
	(15.18)	.65	.12	.87	.64	1.66	2.02	—	.70	7.74	—	—	.27	.51	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	30.47	—	.45	.72	1.48	4.05	1.23	.98	1.11	18.53	—	.88	.72	.32	—	—
	31.58	1.62	.40	2.22	.98	2.85	1.59	.59	1.37	12.57	3.47	2.50	.61	.81	—	76.00
	29.28	1.96	1.08	.70	.77	2.34	1.10	1.24	1.28	7.22	6.38	—	.27	4.94	—	89.00
	40.91	—	1.65	.44	1.63	4.92	1.52	.58	.61	13.11	7.97	.12	.52	7.66	.18	85.00
	20.48	1.89	1.15	1.70	1.09	1.86	1.00	.07	.90	6.51	1.62	1.75	.61	.33	—	—
Averages 1986	36.53															
Averages 1985	33.44															

( ) = Not used for averages.

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Composition of Fleets

	Chevrolet %	Ford %	Chrysler Corp. %	Lincoln-Mercury %	Buick %
	12.00%	10.00%	10.00%	— %	— %
	27.00	20.00	11.00	6.00	6.00
	3.00	1.00	1.00	1.00	6.00
	38.00	15.00	4.00	4.00	11.00
	24.00	11.00	12.00	4.00	9.00
	19.00	6.00	5.00	5.00	11.00
	21.00	20.00	9.00	3.00	10.00
	30.00	20.00	10.00	2.00	11.00
	11.70	6.30	7.30	5.00	6.30
	27.70	15.90	5.90	2.80	7.60
	24.70	32.20	9.00	2.20	4.90
	34.00	—	8.00	21.00	7.00
	34.14	10.62	11.08	3.40	8.53
	9.00	9.00	7.00	5.00	5.00
	20.00	10.00	5.00	5.00	10.00
	31.00	19.00	2.00	5.00	6.00
	28.10	20.50	5.50	1.60	7.20
	36.00	5.00	5.00	2.00	17.00
	33.00	33.00	3.00	2.00	4.00
	27.00	31.00	11.00	5.00	6.00
Averages 1986	24.00	15.00	7.00	4.00	8.00
Averages 1985	21.00	14.00	4.00	9.00	8.00

	Oldsmobile %	Pontiac %	Cadillac %	Foreign %	Other %
	— %	5.00%	— %	50.00%	13.00%
	6.00	5.00	1.00	13.00	5.00
	7.00	4.00	65.00	10.00	2.00
	18.00	2.00	2.00	5.00	1.00
	20.00	18.00	1.00	—	1.00
	13.00	3.00	4.00	17.00	17.00
	16.00	13.00	5.00	—	3.00
	15.00	11.00	1.00	—	—
	7.70	4.10	5.40	35.70	10.50
	18.20	4.50	2.20	8.60	6.60
	7.20	4.40	.30	.80	14.30
	14.00	10.00	—	—	6.00
	14.94	15.68	.31	1.25	.05
	7.00	7.00	4.00	26.00	21.00
	25.00	15.00	1.00	7.00	2.00
	14.00	10.00	1.00	2.00	10.00
	18.70	16.70	.30	—	1.40
	23.00	8.00	3.00	—	1.00
	9.00	1.00	1.00	3.00	11.00
	9.00	2.00	1.00	1.00	7.00
Averages 1986	13.00	8.00	5.00	9.00	7.00
Averages 1985	11.00	5.00	1.00	19.00	8.00

Note: Table represents the breakdown by nameplate for 20 fleets. The first fleet listed comprises 12% Chevrolet, 10% Ford, 10% Chrysler, 5% Pontiac, 50% Foreign, 13% Other, and no Lincoln-Mercury, Buick, Oldsmobile, or Cadillac cars, for a total of 100%.

Repairs and Maintenance

Open-End

		Tires Limit			Miles Limit		Composition of Fleets			
	Maintenance Cap or Budget	Limit	Tires #	Non-Authorized Repair Limit	Miles	Limit Miles Annual	Full Maintenance %	Non-Maintenance %	Finance %	Brokerage %
Less than 1,000 Cars	No	—	—	$ —	—	—	— %	45.0%	50.0%	5.0%
	Yes	—	—	75.00	Yes	15K-20K	15.0	28.0%	52.0	5.0
	No	Yes	2-4	50.00	Yes	Varies	29.0	40.0	31.0	—
	—	—	—	—	—	—	—	5.0	95.0	—
	—	—	—	—	Yes	Varies	27.0	43.0	30.0	—
Over 1,000 Cars	—	—	—	—	—	—	—	—	100.0	—
	—	—	—	—	No	—	—	—	100.0	—
	No	—	—	—	No	—	—	—	100.0	—
	Yes	Yes	Varies	40.00	Yes	Varies	20.0	15.0	61.0	4.0
	Yes	Yes	Varies	Varies	Yes	Varies	1.7	4.1	94.2	—
	No	Yes	—	25.00	Yes	25,000	21.0	21.0	58.0	—
	—	—	—	—	—	—	—	—	100.0	—
	—	—	—	—	Yes	15,000	—	—	—	100.0
	—	—	—	—	—	—	—	15.0	85.0	—
	No	Yes	2-4	35.00	Yes	12K-24K	29.0	19.0	52.0	—
	—	—	—	—	—	—	—	1.0	99.0	—
	Yes	No	—	25.00	Yes	Varies	7.0	21.0	72.0	—
	—	—	—	—	Yes	15,000	—	62.0	38.0	—

Composition of Fleets

	Model Sizes						
	Standard %	Intermediate %	Compact %	Mini %	Other %	Average Cost Per Vehicle	Number of Vehicles Per Employee
	60.00%	20.00%	20.00%	— %	— %	$14,500	6
	20.00	60.00	10.00	10.00	—	12,500	300
	80.00	15.00	5.00	—	—	19,600	140
	40.00	55.00	5.00	—	—	11,900	60
	10.00	83.00	7.00	—	—	10,580	94
	15.00	50.00	5.00	—	30.00	14,000	150
	—	—	—	—	—	14,900	46
	—	—	—	—	—	—	—
	20.00	65.00	15.00	—	—	11,000	300
	—	—	—	—	—	11,000	300
	—	—	—	—	—	17,000	—
	20.00	60.00	15.00	5.00	—	10,996	175
	18.00	59.00	18.00	5.00	—	11,909	275
	13.00	50.00	9.00	2.00	26.00	11,400	159
	8.51	78.22	9.36	2.39	1.52	10,605	288
	30.00	40.00	25.00	5.00	—	14,000	—
	20.00	50.00	20.00	10.00	—	11,500	110
	15.00	50.00	8.00	—	27.00	11,600	102
	—	—	—	—	—	11,009	200
	13.00	65.00	22.00	—	—	10,850	118
	—	—	—	—	—	12,825	163
	25.00	70.00	5.00	—	—	11,081	122
	—	—	—	—	—	12,771	148
Averages 1986	26.00	54.00	12.00	3.00	5.00	12,066	
Averages 1985	35.00	45.00	20.00	—	—		

In the U.S., the most popular method of charging employees for personal use is a cents-per-mile system. The per-mile system is also the most popular method of reimbursing drivers for business use of their personal vehicles.

NAFA's 1987 Personal Use Survey

A total of 464 fleets across the United States and Canada, an all-time high, responded to NAFA's 1987 Personal Use Survey. Altogether, these fleets control 394,091 vehicles, of which 221,049 are company-owned and 173,042 are leased.

The 389 U.S. fleets responding to the survey control 356,508 vehicles. Of this total, 196,146 are company-owned and 160,362 are leased. The 75 Canadian fleets control 24,903 company-owned vehicles and 12,680 leased vehicles, for a total of 37,583.

Approximately 91 percent of the responding U.S. fleets allow drivers personal use of company-provided vehicles. Eighty-four percent allow it after working hours; 84 percent allow it on weekends and holidays, and 76 percent allow personal use while the employee is on vacation. Among Canadian fleets, personal use breaks down as follows: 87 percent allow personal use; 94 percent allow it after working hours; 94 percent allow it on the weekends and holidays, and 93 percent allow it while employee is on vacation.

Eligible Drivers

Almost 75 percent of the U.S. fleets allow their employees' spouses to drive company vehicles for personal use, while 93 percent of the Canadian fleets allow usage by spouses. Canadian fleets are also more liberal in allowing employees' children that are licensed drivers to use company vehicles, representing 81 percent of the responding Canadian fleets. On the other hand, only 38 percent of the responding U.S. fleets said that employees' children with driver licenses may operate their parent's fleet vehicle. Thirty-eight percent of the Canadian respondents also said "others" are allowed use of the company vehicle; this number was nine percent in the U.S. The same percentage (38) of the fleets in both countries have set a minimum age limit of 20 for persons eligible to drive a company vehicle.

The surveyed U.S. fleet managers estimated that, each month, 473 miles of personal use mileage was driven by employees in company vehicles. The yearly per-car-per-driver personal use mileage estimate was put at 5,440 miles. Canadians reported that their monthly per-car-per-driver personal use average was nearly 874 kilometers, while the yearly total was slightly above 8,605 kilometers.

Altogether, personal use averaged 17.4 percent of the total yearly fleet mileage among the surveyed U.S. fleets. Canadian fleets responding to the survey estimated that 22.8 percent of their total yearly fleet mileage was for personal use. Among 81 percent of the U.S. fleets and 90 percent of the Canadian fleets, there is no limit on the amount of personal use mileage allowed. Those U.S. fleets having limits on personal use set it at a yearly average of 590 miles; the Canadian average is 4,732 kilometers.

Charging for Personal Use

More than 80 percent of the U.S. fleets and 66 percent of the Canadian fleets charge their employees for the personal use of a company vehicle. The most common method of charging in the U.S. is a cents-per-mile system, while in Canada it is by a flat monthly or weekly charge. In the U.S., the average charge per mile is 16.7 cents, while in Canada the average monthly/weekly charge (in Canadian dollars) is $58.10. The most-used method of collecting these charges in both countries is through salary deductions.

When reimbursing drivers for business use of their personal vehicles because they do not have company-provided vehicles, 306 U.S. and 59 Canadian fleets pay only for mileage driven. According to the survey, the per-mile-system is by far the most popular in both countries. The average amount paid in the U.S. is 20.6 cents, while in Canada it is 22.4 Canadian cents.

The per-mile pay system is also the most popular method used when an employee's assigned fleet vehicle is not in operation and an employee's personal vehicle is used for business. This method is used by 315 U.S. and 37 Canadian fleets. The average amount paid by the U.S. fleets is 20.7 cents, and by Canadian fleets it is 22.5 Canadian cents.

An employee's job title is the most important factor in determining who gets a company vehicle, according to 292 U.S. and 34 Canadian fleets.

1986-1987 Personal Use Survey Comparison

	1986	1987	+/-
Total Fleets Responding	358	464	+106
Total Vehicles	237,710*	394,091	+156,381
Total Company-Owned Vehicles	121,479	221,049	+99,570
Total Leased	106,671	173,042	+66,371

*Included 9,560 employee-owned vehicle

	Percent of Fleets Responding Positively		
	1986	1987	% +/-
Permitted Personal Use:	93%	88%	-5%
After Work	97	97	0
Weekends and Holidays	96	94	-2
On Vacation	86	85	-1
Charged for Personal Use (total):	83%	80%	-3%
Of above figure, percent charged by:			
Per Mile Charge	39	45	+6
Flat Monthly/Weekly Rate	39	39	0
Combination Per Mile/Flat Rate	28	15	-13
Charges Collected By:			
Expense Report	87%	68%	-19%
Salary Deduction	97	73	-24
(Does not equal 100% because many respondents use more than one method.)			
Personal Use's Permitted By:			
Employees' Spouse	*	77%	—
Employees' Licensed Children	*	44	—
Others	*	13	—
Repair Cost Paid By Employee:			
Yes	39%	36%	-3%
Of above figure, percent charging:			
Full Amount	5	5	0
Fixed Share	4	.7	-3.3
Dollar Amount	34	35	+1
Insurance Deductible	56	41	-15
Other	1	18.3	
Driver Charged With Accident — Other Driving:	31%	49%	+18%
Authorized Alternate Transportation:			
Employee's Vehicle	96%	92%	-4%
Rented Vehicle	94	89	-5
District Manager's Vehicle	51	40	-11
Pool Vehicle	86	74	-12
(Does not equal 100% because many respondents allow several alternatives.)			
IRS Audit in Last Two Years	8%	8%	0

*Last year, those returns with no answer for these questions were NOT counted as negatives votes. This year, answers left blank WERE counted as negative votes with the assumption that if the question was left unanswered it did not apply to the respondent. Next year, respondents will not be asked to respond "yes" or "no" but rather to check off all options that apply to them with no answer meaning it does not apply.

Source: National Association of Fleet Administrators.

A close second in the U.S. (202 fleets) was the number of business miles driven in a year, with the average being 13,503 miles. The results show Canadian fleets are fairly split in this area as well, with 30 fleets saying company vehicles were provided as part of the employees' fringe-benefit package.

U.S. and Canadian fleet managers also differ on alternate means of transportation for an employee whose assigned fleet vehicle is not in operation. Most U.S. fleets (331) prefer to reimburse an employee for the business use of his personal vehicle. A large percentage (292 U.S. fleets) allow employees to rent vehicles when their assigned fleet vehicle is not operating. Among Canadian respondents, 63 fleets prefer an employee to rent a vehicle, while 46 allow employees to use their personal vehicles.

Differences Between U.S. and Canadian Fleets

Differences also exist between U.S. and Canadian fleets with regard to the ways they handle accident repair costs passed on to drivers, when and if they charge drivers with accidents, and if and how they compensate drivers who lose eligibility for fleet vehicles.

Among Canadian fleets, 63 percent pass on to the employee some

Survey Question:

Is a limit placed on the amount of personal miles driven? If so, what is it?

	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
U.S. - Yes	2	2	4	5	9	6	9	17	3	13	70
- No	35	34	55	19	55	40	13	11	14	14	290
Limit (miles)	100	300	0	0	887	1,000	300	0	325	50	590
Canada - Yes	1	3	0	0	0	0	0	2	0	1	7
- No	15	10	2	5	14	7	2	1	2	4	62
Limit (Kilometers)	160	4,500	0	0	0	0	0	14,000	0	500	4,732

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Survey Question:

What is the average percent of your fleet's total mileage considered to be personal use?

	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
U.S.	16.5%	16.9%	21.9%	15.0%	18.6%	13.4%	14.1%	12.9%	21.6%	15.0%	17.4%
Canada	17.2%	20.9%	25.0%	22.3%	26.7%	22.2%	40.0%	40.0%	33.0%	26.0%	22.8%

Survey Question:

Average personal mileage driven by employees on company vehicle:

	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
U.S. - Monthly	226.3	385.1	427.9	339.0	411.5	652.0	672.8	463.2	633.0	534.0	473.3
- Yearly (Miles)	2,830.0	4,746.6	5,693.9	5,426.6	5,677.0	5,599.3	8,051.0	3,610.0	7,103.8	6,152.0	5,440.0
Canada - Monthly	459.0	1,530.8	850.0	333.3	762.6	518.7	1,375.0	1,200.0	680.0	1,062.0	873.9
- Yearly (Kilometers)	9,163.0	7,804.4	10,000.0	4,500.0	13,520.1	5,505.8	12,000.0	14,000.0	8,165.0	5,420.0	8,605.4

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PERSONAL USE

Survey Question:

Is personal use of fleet vehicle permitted by:

		Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
U.S.												
Employee Only:	Yes	37	39	60	21	62	46	16	16	17	16	330
	No	0	0	0	3	3	1	11	21	2	1	42
Employee Spouse:	Yes	36	36	57	15	57	44	5	1	10	13	276
	No	1	1	4	9	9	2	20	36	9	4	95
Licensed Children:	Yes	22	22	23	7	23	25	2	0	3	8	135
	No	13	16	34	17	40	17	23	37	16	9	222
Others:	Yes	4	5	8	2	4	2	1	0	1	0	27
	No	23	26	41	21	48	30	23	36	16	12	278
Canada												
Employee Only:	Yes	16	13	2	4	15	7	2	2	2	5	68
	No	0	0	0	1	0	0	0	3	0	0	4
Employee Spouse:	Yes	16	13	2	4	14	7	2	2	2	4	66
	No	0	0	0	1	1	0	0	3	0	1	5
Licensed Children:	Yes	12	11	1	4	12	6	0	2	0	4	52
	No	3	2	1	0	2	0	0	3	0	1	12
Others:	Yes	4	4	0	3	3	1	0	1	1	0	17
	No	7	6	1	2	4	2	0	3	0	3	28

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portion of the repair costs resulting from accidents during personal use. Only 31 percent of the U.S. fleets do so.

Also, only 48 percent of the U.S. fleets charge their employees with an accident if someone else has the accident while driving the company vehicle for personal use. However, in Canada 53 percent of the fleets do this.

In addition, Canadian fleets are also more likely to compensate their employees who lose eligibility for a company vehicle because of transfer or reassignment. Fifty-two percent of the Canadian fleets will either make a one-time payment to the employee or offer to sell him the vehicle at a discounted rate. In the U.S., only 41 percent of the surveyed fleets indicated that they would sell the vehicle to the employee at a discounted rate. AF

Survey Question:

Is employee charged for personal use of company-owned vehicle?

		Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
U.S.	Yes	35	34	53	19	59	39	15	8	15	13	290
	No	3	5	7	5	4	7	5	19	4	14	46
Canada	Yes	14	9	2	4	8	5	1	1	1	1	46
	No	2	4	0	1	7	2	1	2	1	4	24

Survey Question:

If yes, how are they charged and what amount?

		Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Manufacturing-Industrial	Manufacturing-Consumer	Public Utility	Government	Banking-Financial	Other	TOTAL SAMPLE
Per Mile Charge:	Yes	16	12	26	11	21	18	11	3	7	6	131
	No	8	7	8	2	13	6	1	3	1	3	52
U.S. Amount (cents)		17.4	15.8	15.6	18.1	15.8	17.0	19.1	15.3	19.3	16.0	16.7
Monthly/Weekly Charge:												
	Yes	12	18	16	4	24	13	4	4	6	3	104
	No	2	2	13	3	4	4	5	3	2	3	41
U.S. Amount (dollars)		60.7	57.7	57.6	41.0	65.6	47.6	60.0	53.0	57.5	71.0	58.1
Combination of Both:												
	Yes	6	5	6	4	15	8	0	1	2	0	47
	No	5	6	15	2	11	6	6	4	2	0	57
Per Mile Charge:	Yes	3	3	0	3	3	2	1	1	0	4	20
	No	3	4	0	0	1	0	0	0	0	1	9
Canadian Amount (cents)		4.7	7.7	0	14.0	8.5	16.0	8.0	0	0	11.0	9.8
Monthly/Weekly Charge:												
	Yes	10	6	1	0	6	1	0	0	1	1	26
	No	0	1	0	0	0	0	0	0	0	2	3
Canadian Amount (dollars)		61.0	45.0	32.5	0	59.0	44.0	0	0	40.0	0	53.3
Combination of both:												
	Yes	0	0	1	1	1	1	0	0	0	0	4
	No	2	5	0	0	1	0	0	0	0	2	10

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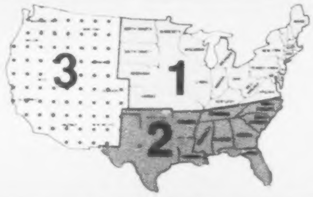
USED CARS

The following are average car prices ending August 5, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3308	3343	3242
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2600	2624	2548
85 AMC ENCORE			
Sdn 5-Dr S Series	3292	3325	3225
84 AMC ENCORE			
Sdn 5-Dr S Series	2595	2620	2542
85 BUICK SKYHAWK			
Cust Coupe	3733	3770	3659
Cust Sdn	3790	3829	3713
85 BUICK CENTURY			
Cust Sdn	5799	5859	5683
84 BUICK CENTURY			
Cust Sdn	4812	4857	4715
85 BUICK SKYLARK			
Cust Sdn	4328	4372	4242
84 BUICK SKYLARK			
Cust Sdn	3447	3481	3380
85 BUICK SOMERSET REGAL			
Coupe	6292	6356	6167
85 BUICK RIVIERA			
Coupe	10.269	10.373	10.065
84 BUICK RIVIERA			
Coupe	8540	8624	8371
85 BUICK LE SABRE			
Cust Sdn	8824	8914	8648
Cust Cpe	8733	8820	8560
85 CADILLAC DE VILLE			
Cpe	10.718	10.823	10.504
Sdn	10.718	10.823	10.504
84 CADILLAC DE VILLE			
Cpe	8162	8240	7999
Sdn	8104	8189	7944
85 CADILLAC SEVILLE			
Sdn	14.852	14.999	14.557
84 CADILLAC SEVILLE			
Sdn	12.336	12.460	12.091
85 CHEVY CHEVETTE			
Htchbk 4 Dr	3023	3051	2962
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2345	2367	2297
85 CHEVY CAMARO			
Cpe	6474	6540	6348
84 CHEVY CAMARO			
Cpe	5413	5465	5304
85 CHEVY CAVALIER			
Sdn	4240	4281	4154
84 CHEVY CAVALIER			
Sdn	3419	3451	3349
85 CHEVY CELEBRITY			
Sdn	5282	5335	5180
84 CHEVY CELEBRITY			
Sdn	4094	4136	4016
85 CHEVY CAPRICE			
Sdn	6728	6792	6592
84 CHEVY CAPRICE			
Sdn	5370	5425	5264
85 CHRYSLER LE BARON			
Cpe	5422	5473	5312
Sdn	5456	5510	5349
84 CHRYSLER LE BARON			
Cpe	4310	4353	4221
Sdn	4310	4353	4221
85 CHRYSLER FIFTH AVENUE			
Sdn	8383	8466	8212
84 CHRYSLER FIFTH AVENUE			
Sdn	7053	7126	6913
85 DODGE OMNI			
Htchbk 4 Dr	3372	3406	3304
84 DODGE OMNI			
Htchbk 4 Dr	2677	2703	2624
85 DODGE ARIES			
Sdn	4034	4075	3955
84 DODGE ARIES			
Sdn	2988	3019	2929
85 DODGE DIPLOMAT			
Sln Sdn	4620	4664	4528
84 DODGE DIPLOMAT			
Sln Sdn	3552	3586	3480
85 DODGE LANCER			
Sdn	5479	5535	5370
85 DODGE 600			
Sdn	5082	5131	4982
84 DODGE 600			
Sdn	3784	3821	3706
85 FORD ESCORT			
Htchbk 4 Dr L Series	3518	3554	3449
84 FORD ESCORT			
Htchbk 4 Dr L Series	2786	2816	2734
85 FORD MUSTANG			
LX-4 Cpe	5059	5110	4957
84 FORD MUSTANG			
L-4 Cpe	4100	4140	4018
85 FORD TEMPO			
GL Sdn 2 Dr	4222	4265	4138
GL Sdn 4 Dr	4292	4337	4206
84 FORD TEMPO			
L Sdn 2 Dr	3212	3244	3148
L Sdn 4 Dr	3263	3298	3196
85 FORD LTD			
Sdn	4513	4559	4423
84 FORD LTD			
Sdn	3378	3413	3313
85 FORD CROWN VIC			
Sdn	7673	7746	7519
84 FORD CROWN VIC			
Sdn	6177	6240	6055
85 FORD THUNDERBIRD			
Cpe	6577	6643	6446
84 FORD THUNDERBIRD			
Cpe	5426	5480	5317
85 LINCOLN CONTINENTAL			
Sdn	13,303	13.438	13.039
Town Car Sdn	12,012	12,133	11,772
Mark VII Cpe	13,030	13,156	12,766
84 LINCOLN CONTINENTAL			
Sdn	10,018	10,118	9816
Town Car Sdn	8904	8992	8727
Mark VII Cpe	9730	9827	9535
85 MERCURY LYNX			
Htchbk 2 Dr	3344	3377	3275
84 MERCURY LYNX			
Htchbk 2 Dr	2649	2673	2593
85 MERCURY COUGAR			
Cpe LS	7279	7350	7133
84 MERCURY COUGAR			
Cpe LS	6022	6083	5901
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4432	4475	4343
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3427	3461	3358
85 MERCURY MARQUIS			
Sdn	4572	4618	4481
84 MERCURY MARQUIS			
Sdn	3433	3465	3361
85 MERCURY GRAND MARQUIS			
Sdn	8076	8156	7914
84 MERCURY GRAND MARQUIS			
Sdn	6524	6589	6394
85 OLDS FIRENZA			
Sdn	4423	4468	4337
84 OLDS FIRENZA			
Sdn	3762	3800	3685
85 OLDS CIERA			
LS Coupe	5721	5780	5608
LS Sdn	5794	5853	5677
84 OLDS CIERA			
LS Cpe	5721	5780	5608
LS Sdn	5794	5853	5677
85 OLDS CALAIS			
Cpe	6217	6279	6093
85 OLDS CUTLASS SUPREME			
Cpe	6458	6523	6331
Sdn	6297	6359	6169
84 OLDS CUTLASS SUPREME			
Cpe	5360	5414	5252
Sdn	5218	5273	5116
85 OLDS DELTA 98			
Rgcy Sdn	8694	8779	8518
84 OLDS DELTA 98			
Rgcy Sdn	7406	7480	7259
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3368	3402	3301
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2696	2722	2644
85 PLYMOUTH RELIANT			
Sdn	4034	4077	3955
84 PLYMOUTH RELIANT			
Sdn	2976	3006	2917
85 PLYMOUTH CARAVELLE			
SE Sdn	4928	4976	4829
85 PLYMOUTH GRAN FURY			
Salon Sdn	4726	4770	4632
84 PLYMOUTH GRAN FURY			
Salon Sdn	3659	3695	3584
85 PONTIAC T-1000			
Sdn	3083	3114	3023
84 PONTIAC T-1000			
Sdn	2499	2526	2451
85 PONTIAC SUNBIRD			
Sdn	4409	4453	4321
84 PONTIAC SUNBIRD			
Sdn	3608	3645	3537
85 PONTIAC 6000			
Sdn	5516	5573	5407
84 PONTIAC 6000			
Sdn	4367	4411	4278
85 PONTIAC GRAND AM			
Cpe	6159	6222	6038
85 PONTIAC FIREBIRD			
Cpe	6552	6615	6420
84 PONTIAC FIREBIRD			
Cpe	5543	5500	5336
85 PONTIAC BONNEVILLE			
Sdn	5804	5864	5687
84 PONTIAC BONNEVILLE			
Sdn	4671	4717	4581
85 PONTIAC GRAND PRIX			
Cpe	6350	6415	6224
84 PONTIAC GRAND PRIX			
Cpe	5276	5331	5170
85 PONTIAC PARISIENNE			
Sdn	6861	6927	6722
84 PONTIAC PARISIENNE			
Sdn	5520	5573	5407
85 NISSAN SENTRA			
Dlx Sdn 4 Dr	3365	3399	3299
85 NISSAN STANZA			
XE Htchbk 4 Dr	5069	5120	4967
85 NISSAN MAXIMA			
SE Sdn	8678	8765	8504
84 NISSAN SENTRA			
Dlx Sdn 4 Dr	2650	2675	2597
84 NISSAN STANZA			
XE Htchbk 4 Dr	4103	4146	4021
84 NISSAN MAXIMA			
GL Sdn	6698	6766	6565
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5044	5094	4944
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6750	6818	6614
85 TOYOTA CRESSIDA			
Sdn	9794	9891	9599
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	3949	3988	3871
84 TOYOTA CAMRY			
Sdn	5516	5572	5406
84 TOYOTA CRESSIDA			
Sdn	7676	7755	7524
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5868	5926	5749
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4389	4432	4301

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City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	133.9
Jasper, AL	104.4	85.9
Pine Bluff, AR	123.9	94.9
Kingman, AZ	145.9	107.4
Whittier, CA	124.9	90.9
New London, CT	115.4	114.4
Gainesville, FL	139.9	104.4
Chicago, IL	133.5	105.4
Louisville, KY	133.9	101.6
St. Paul, MN	125.9	100.9
Rochester, NY	98.9	92.9
Philadephia, PA	111.0	92.7
Chattanooga, TN	134.2	104.9
San Antonio, TX	116.4	87.4
Yakima, WA	159.9	102.4

Survey conducted during the first five working days of August 1987. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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october 1987

C1575-2A
10/13/87

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE ®

'88 Cars and Trucks

Increasing Resale Values

Used-Car Marketing

Food Truck-Body Showcase

Accessorizing Cars

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

OCTOBER 1987
VOL. 26, NO. 12
Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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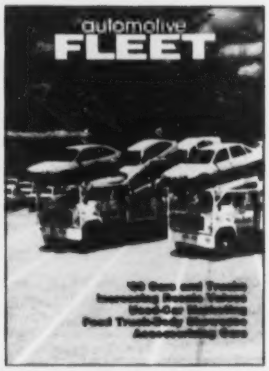

On the cover: Pontiac's 1988-model LeMans front-wheel-drive subcompacts, fresh from South Korea, head out to dealer showrooms.

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DISPOSAL

NAFA's most recent used-car marketing survey indicates that U.S. commercial fleets are holding cars an average of 64,000 miles and 31 months before selling them, with auto auctions remaining the most prevalent means of disposal.

Changes in Used-Car Marketing

Commercial fleets in the United States are keeping their cars longer and operating them more miles this year than last year, before disposing of them, according to results from NAFA's 1987 Used-Car Marketing Survey. Also, public utilities indicated they are driving vehicles more miles before disposal. Only government fleets said they are holding vehicles less time and driving them fewer miles this year over last year.

The annual NAFA survey questions fleet managers on policies regarding length of time and number of miles vehicles are kept in service, how they dispose of vehicles, how prices of used vehicles are determined, and if vehicles are reconditioned prior to disposal. Responses to this year's survey came from 280 commercial fleets, 50 government fleets, and 27 public utilities fleets, for a total of 357. These fleets control 97,785 company-owned and 93,116 leased vehicles.

This year, commercial vehicles sold averaged 31 months in age and had been driven an average of 64,356 miles, whereas last year, commercial fleets held their vehicles an average of 30.2 months/61,029 miles. Public utilities fleets keep their cars longest at 61 months, despite keeping cars five fewer months than last year. Utilities said they increased mileage before disposal of their vehicles by nearly 3,000 miles per car to an average of 81,362 miles. Government fleets kept cars 55 months, nine months fewer than last year, and sold them at 87,231 miles, 4,448 fewer than last year.

Interestingly, the vast majority of respondents said they plan no major changes in the near future in the length of time or number of miles they keep vehicles before selling them. Of those planning major changes (approximately 20 percent) about half said they will *decrease* the number of months they keep cars, while the remainder indicated they will *increase* the number of months they hold cars.

Replacement Policies

According to survey results, average 1986 replacement policies for each group were: commercial fleets-37 months/66,425 miles; government fleets-58 months/78,668 miles; public utilities fleets-67 months/80,158 miles. The same groups said their 1987 average replacement policies would be: commercial fleets-40 months/65,808 miles; government fleets-58 months/77,820 miles; public utilities fleets-65 months/80,176 miles. Projected 1988 replacement policies were: commercial fleets-45 months/64,740 miles; government fleets-49 months/70,793 miles; public utilities fleets-100 months/79,867 miles.

Vehicles Sold

Commercial fleets sold 52,417 vehicles last year, of which 12,460 were 1983 models; 23,404 were 1984s; 11,716 were 1985s, and 4,837 were 1986s. Government fleets sold 2,300 cars, including 1,486 1983 models, 679 1984s, 123 1985s, and 12 1986s. Public utilities fleets sold 652 cars, of which 326 were 1983s; 207 were 1984s; 86 were 1985s, and 33 were 1986s.

As with the past three years, auto auctions and wholesalers continue to be the major market in which commercial fleets dispose of vehicles, with sales to employees second. Government and public utilities fleets also follow this trend, although governments sell few vehicles to employees, relying almost entirely on auctions and wholesalers for used-vehicle disposal.

Employee Sales

To determine the prices of vehicles sold to employees, more than 46 percent of commercial fleets use the Automotive Market Report, while 50 percent of public utilities fleets use the NADA wholesale price. Since so few government fleets sell to employees, data is insufficient for calculation. Responsibility for determining the prices of used vehicles falls on the fleet manager for 75.9 percent of commercial fleets and 64.3 percent of public utilities fleets. Almost all survey respondents — 97.1 percent of commercial fleets, 91.5 percent of government fleets, and 95.8 percent of public utilities fleets sell vehicles as is. Likewise, 88.1 percent, 70.8 percent, and 87.5 percent of these fleets, respectively, do not recondition their cars.

1986-1987 Used Car Marketing Survey Results Comparison

Fleets Responding

	1986	1987	+/-
Commercial Fleets	221	280	+59
Government Fleets	44	50	+6
Public Utilities Fleets	14	27	+13
Total Fleets	279	357	+78

Total Vehicles

Total Vehicles			
Commercial Fleets	174,211	146,224	-27,987
Government Fleets	61,020	30,278	-30,742
Public Utilities Fleets	29,278	14,399	-14,879
Total Respondents	264,509	190,901	-73,608

Average Age of Vehicles Sold

Months			
Commercial Fleets	30.2	31	+.8
Government Fleets	63.9	55	-8.9
Public Utilities Fleets	66.1	61	-5.1
Miles			
Commercial Fleets	61,029	64,356	+3,327
Government Fleets	91,679	87,231	-4,448
Public Utilities Fleets	78,550	81,362	+2,812

Number of Model-Year Cars Sold

	1986	1987	+/-
Commercial Fleets			
1983 Model Year	19,960	12,460	-7,500
1984 Model Year	7,677	23,404	+15,727
1985 Model Year	1,535	11,716	+10,181
1986 Model Year	NA	4,837	+4,837
Government Fleets			
1983 Model Year	1,381	1,486	+105
1984 Model Year	0	679	+679
1985 Model Year	0	123	+123
1986 Model Year	NA	12	+12
Public Utilities Fleets			
1983 Model Year	77	326	+249
1984 Model Year	39	207	+168
1985 Model Year	0	86	+86
1986 Model Year	NA	33	+33

Selling Methods: Number of Cars Sold in Each Category

Commercial Fleets			
Wholesaler/Auto Auction	27,145	26,367	-788
Employee	14,162	15,023	+861
Used Car Dealer	1,773	3,026	+1,253
New Car Dealer (Trade-In)	3,573	3,250	-323
Salvage/Other	NA	3,743	+3,473
Government Fleets			
Wholesaler/Auto Auction	7,653	3,291	-4,362
Employee	0	21	+21
Used Car Dealer	99	25	-74
New Car Dealer (Trade-In)	291	80	-211
Salvage/Other	NA	84	+84
Public Utiities Fleets			
Wholesaler/Auto Auctions	3,444	1,803	-1,641
Employee	348	438	+90
Used Car Dealer	39	399	+360
New Car Dealer (Trade-In)	0	26	+26
Salvage/Other	NA	84	+84

DISPOSAL

Who is responsible for setting the price of vehicles sold to employees?

	Commercial								Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial	
Fleet Manager	74.1%	94.7%	76.7%	75.6%	80.5%	78.6%	65.4%	75.9%	64.3%
Leasing Company	11.1%	0	13.3%	13.3%	14.6%	7.1%	19.2%	13.2%	7.1%
Other	14.8%	5.3%	3.3%	11.1%	4.9%	14.3%	15.4%	10.1%	28.6%
Car Dealer	0	0	6.7%	0	0	0	0	0.8%	
Government								**N.A.**	

Guidelines used for price determination of vehicles sold to employees:

	Commercial								Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial	
Automotive Market Report	35.7%	50.0%	61.5%	56.4%	45.5%	46.2%	32.7%	46.3%	8.3%
Book Value	35.7%	15.0%	11.5%	32.7%	21.2%	15.4%	28.8%	25.6%	8.3%
Leasing Company Price	39.3%	15.0%	7.7%	16.4%	18.2%	15.4%	23.1%	19.8%	8.3%
NADA Wholesale Prices	7.1%	15.0%	34.6%	20.0%	12.1%	30.8%	17.3%	18.5%	50.0%
Black Book Value	17.9%	25.0%	15.4%	10.9%	15.2%	7.7%	21.2%	16.3%	8.3%
Wholesale Value	10.7%	20.0%	15.4%	12.7%	21.2%	38.5%	7.7%	15.0%	16.7%
Other	14.3%	20.0%	11.5%	9.1%	9.1%	15.4%	11.5%	11.9%	16.7%
Market Value	7.1%	5.0%	7.7%	10.9%	6.1%	0	17.3%	9.7%	8.3%
Government								**N.A.**	

Note: Percentages do not equal 100% since many respondents use more than one guideline.

Average age of vehicles (in months) sold in 1986

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Minimum Age Given: 12 mos. Maximum Age Given: 85 mos.	29	27	30	29	27	37	38	31 mos.	55 mos.	61 mos.

Average mileage of vehicles sold in 1986 (per vehicle):

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Minimum Mileage Given: 24,000 Maximum Mileage Given: 150,000	62,586	63,609	56,849	62,261	63,852	56,350	73,436	64,356	87,231	81,362

Are you planning any major changes in the length of time your cars are kept in service and/or the number of miles they are driven?

Commercial	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Yes	17.1%	8.7%	27.3%	19.3%	19.0%	25.0%	21.5%	19.9%	25.0%	14.8%
No	82.9%	91.3%	72.7%	80.7%	81.0%	75.0%	78.5%	80.1%	75.0%	85.2%

DISPOSAL

Note: The mean is computed by adding all responses and dividing that sum by the total number of responses. The median is that number which, when the numbers are placed in order from lowest to highest, has 50 percent of responses above and below it.

1986 Replacement Policies (Months/Miles)

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Mean Months	35	33	36	34	42	31	41	37	58	67
Mean Miles	65,559	66,500	58,621	63,391	70,859	57,143	73,973	66,425	78,668	80,158
Median Months	36	36	36	36	36	36	36	36	60	60
Median Miles	60,000	60,000	60,000	60,000	55,000	57,500	60,000	60,000	80,000	75,000

1987 Replacement Policies (Months/Miles)

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Mean Months	35	32	37	50	42	32	41	40	58	65
Mean Miles	62,500	64,895	58,571	66,568	63,288	62,000	74,766	65,808	77,820	80,176
Median Months	36	36	36	36	36	36	36	36	60	66
Median Miles	55,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	80,000	75,000

1988 Replacement Policies (Months/Miles)

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Mean Months	35	32	37	51	64	35	42	45	49	100
Mean Miles	61,321	63,235	59,074	64,474	63,250	68,333	71,468	64,740	70,793	79,867
Median Months	36	36	36	36	36	36	36	36	57	60
Median Miles	55,000	55,000	60,000	60,000	60,000	57,500	60,000	60,000	70,000	75,000

Do you recondition your cars?

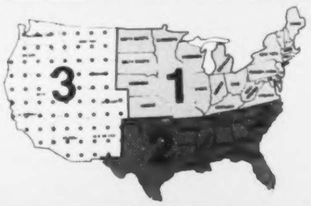
	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Yes	8.6%	8.7%	9.1%	10.7%	12.5%	13.3%	16.7%	11.9%	29.2%	12.5%
No	91.4%	91.3%	90.9%	89.3%	87.5%	86.7%	83.3%	88.1%	70.8%	87.5%

Do you sell your cars as is?

	Commercial								Government	Utilities
	Drugs & Cosmetics	Food & Beverage	Insurance	Manufacturing-Industrial	Manufacturing-Consumer	Banking/Financial	Other	TOTAL Commercial		
Yes	100.0%	95.7%	100.0%	94.6%	92.7%	100.0%	98.5%	97.1%	91.5%	95.8%
No	0	4.3%	0	5.4%	7.3%	0	1.5%	2.9%	8.5%	4.2%

USED CARS

The following are average car prices ending September 2, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3509	3542	3438
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2561	2585	2510
85 AMC ENCORE			
Sdn 5-Dr S Series	3260	3291	3193
84 AMC ENCORE			
Sdn 5-Dr S Series	2559	2584	2506
85 BUICK SKYHAWK			
Cust Coupe	4380	4423	4293
Cust Sdn	4447	4489	4359
85 BUICK CENTURY			
Cust Sdn	5799	5859	5683
84 BUICK CENTURY			
Cust Sdn	4812	4857	4715
85 BUICK SKYLARK			
Cust Sdn	4319	4363	4234
84 BUICK SKYLARK			
Cust Sdn	3440	3474	3373
85 BUICK SOMERSET REGAL			
Coupe	6273	6337	6148
85 BUICK RIVIERA			
Coupe	10,126	10,228	9925
84 BUICK RIVIERA			
Coupe	8438	8521	8270
85 BUICK LE SABRE			
Cust Sdn	7095	7165	6956
Cust Cpe	7095	7165	6956
85 CADILLAC DE VILLE			
Cpe	10,665	10,769	10,452
Sdn	10,665	10,769	10,452
84 CADILLAC DE VILLE			
Cpe	8122	8199	7959
Sdn	8064	8148	7904
85 CADILLAC SEVILLE			
Sdn	14,704	14,849	14,412
84 CADILLAC SEVILLE			
Sdn	12,188	12,311	11,947
85 CHEVY CHEVETTE			
Htchbk 4 Dr	3008	3036	2947
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2317	2338	2270
85 CHEVY CAMARO			
Cpe	6474	6540	6348
84 CHEVY CAMARO			
Cpe	5413	5465	5304
85 CHEVY CAVALIER			
Sdn	4232	4272	4146
84 CHEVY CAVALIER			
Sdn	3412	3444	3342
85 CHEVY CELEBRITY			
Sdn	5260	5313	5160
84 CHEVY CELEBRITY			
Sdn	4078	4120	4000
85 CHEVY CAPRICE			
Sdn	6702	6764	6566
84 CHEVY CAPRICE			
Sdn	5359	5414	5253
85 CHRYSLER LE BARON			
Cpe	5400	5451	5290
Sdn	5434	5488	5327
84 CHRYSLER LE BARON			
Cpe	4292	4335	4205
Sdn	4292	4335	4205
85 CHRYSLER FIFTH AVENUE			
Sdn	8366	8449	8196
84 CHRYSLER FIFTH AVENUE			
Sdn	7039	7112	6899
85 DODGE OMNI			
Htchbk 4 Dr	3355	3389	3287
84 DODGE OMNI			
Htchbk 4 Dr	2661	2687	2609
85 DODGE ARIES			
Sdn	4026	4067	3947
84 DODGE ARIES			
Sdn	2976	3007	2917
85 DODGE DIPLOMAT			
Sln Sdn	4611	4655	4519
84 DODGE DIPLOMAT			
Sln Sdn	3552	3586	3480
85 DODGE LANCER			
Sdn	5425	5479	5316
85 DODGE 600			
Sdn	5047	5095	4947
84 DODGE 600			
Sdn	3776	3813	3699
85 FORD ESCORT			
Htchbk 4 Dr L Series	3504	3540	3435
84 FORD ESCORT			
Htchbk 4 Dr L Series	2758	2788	2706
85 FORD MUSTANG			
LX-4 Cpe	5049	5100	4947
84 FORD MUSTANG			
L-4 Cpe	4088	4128	4006
85 FORD TEMPO			
GL Sdn 2 Dr	4201	4243	4118
GL Sdn 4 Dr	4270	4315	4185
84 FORD TEMPO			
L Sdn 2 Dr	2802	2827	2745
L Sdn 4 Dr	2853	2881	2798
85 FORD LTD			
Sdn	4481	4527	4392
84 FORD LTD			
Sdn	3354	3389	3289
85 FORD CROWN VIC			
Sdn	7658	7731	7504
84 FORD CROWN VIC			
Sdn	6177	6240	6055
85 FORD THUNDERBIRD			
Cpe	6564	6630	6433
84 FORD THUNDERBIRD			
Cpe	5426	5480	5317
85 LINCOLN CONTINENTAL			
Sdn	13,250	13,385	12,987
Town Car Sdn	11,964	12,085	11,725
Mark VII Cpe	15,910	16,069	15,590
84 LINCOLN CONTINENTAL			
Sdn	10,008	10,108	9806
Town Car Sdn	8895	8983	8718
Mark VII Cpe	9720	9817	9525
85 MERCURY LYNX			
Htchbk 2 Dr	3330	3363	3261
84 MERCURY LYNX			
Htchbk 2 Dr	2623	2647	2567
85 MERCURY COUGAR			
Cpe LS	7264	7335	7119
84 MERCURY COUGAR			
Cpe LS	6016	6077	5895
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4410	4453	4321
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3410	3444	3341
85 MERCURY MARQUIS			
Sdn	4540	4586	4450
84 MERCURY MARQUIS			
Sdn	3409	3441	3337
85 MERCURY GRAND MARQUIS			
Sdn	8076	8156	7914
84 MERCURY GRAND MARQUIS			
Sdn	6524	6589	6394
85 OLDS FIRENZA			
Sdn	4423	4468	4337
84 OLDS FIRENZA			
Sdn	3762	3800	3685
85 OLDS CIERA			
LS Coupe	5721	5780	5608
LS Sdn	5794	5853	5677
84 OLDS CIERA			
LS Cpe	4766	4815	4671
LS Sdn	4821	4869	4726
85 OLDS CALAIS			
Cpe	6198	6260	6075
85 OLDS CUTLASS SUPREME			
Cpe	6458	6523	6331
Sdn	6297	6359	6169
84 OLDS CUTLASS SUPREME			
Cpe	5349	5403	5241
Sdn	5208	5262	5106
85 OLDS DELTA 98			
Rgcy Sdn	8642	8727	8467
84 OLDS DELTA 98			
Rgcy Sdn	7362	7436	7215
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3351	3385	3284
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2680	2706	2628
85 PLYMOUTH RELIANT			
Sdn	4026	4069	3947
84 PLYMOUTH RELIANT			
Sdn	2964	2994	2905
85 PLYMOUTH CARAVELLE			
SE Sdn	4908	4956	4809
85 PLYMOUTH GRAN FURY			
Salon Sdn	4703	4746	4609
84 PLYMOUTH GRAN FURY			
Salon Sdn	3645	3681	3570
85 PONTIAC T-1000			
Sdn	3068	3099	3008
84 PONTIAC T-1000			
Sdn	2470	2495	2422
85 PONTIAC SUNBIRD			
Sdn	4400	4444	4312
84 PONTIAC SUNBIRD			
Sdn	3601	3638	3530
85 PONTIAC 6000			
Sdn	5488	5545	5380
84 PONTIAC 6000			
Sdn	4336	4380	4248
85 PONTIAC GRAND AM			
Cpe	6147	6210	6026
85 PONTIAC FIREBIRD			
Cpe	6552	6615	6420
84 PONTIAC FIREBIRD			
Cpe	5443	5500	5336
85 PONTIAC BONNEVILLE			
Sdn	5770	5828	5653
84 PONTIAC BONNEVILLE			
Sdn	4634	4679	4544
85 PONTIAC GRAND PRIX			
Cpe	6337	6402	6212
84 PONTIAC GRAND PRIX			
Cpe	5265	5320	5160
85 PONTIAC PARISIENNE			
Sdn	6833	6899	6696
84 PONTIAC PARISIENNE			
Sdn	5498	5551	5385
85 NISSAN SENTRA			
Dlx Sdn 4 Dr	3315	3348	3250
85 NISSAN STANZA			
XE Htchbk 4 Dr	5069	5120	4967
85 NISSAN MAXIMA			
SE Sdn	8678	8765	8504
84 NISSAN SENTRA			
Dlx Sdn 4 Dr	2610	2635	2558
84 NISSAN STANZA			
XE Htchbk 4 Dr	4082	4125	4001
84 NISSAN MAXIMA			
GL Sdn	6665	6732	6532
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4994	5043	4895
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6682	6750	6548
85 TOYOTA CRESSIDA			
Sdn	9696	9792	9503
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	3910	3948	3832
84 TOYOTA CAMRY			
Sdn	5461	5516	5352
84 TOYOTA CRESSIDA			
Sdn	7599	7677	7449
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5868	5926	5749
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4389	4432	4301

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Augusta, GA	120.4	93.4
Honolulu, HI	167.4	138.7
Waterloo, IA	141.0	107.0
Kansas City, KS	107.4	98.4
New Orleans, LA	111.9	93.7
Worchester, MA	109.9	91.9
Detroit, MI	132.3	101.1
Las Vegas, NV	115.9	87.4
Rochester, NY	99.9	92.9
Dayton, OH	132.9	91.4
Houston, TX	126.4	88.7

Survey conducted during the first five working days of September 1987. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.